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DEVELOPMENT

SOMERVILLE HOUSING NEEDS ASSESSMENT

2005

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Executive Summary

Over the past few years, the City of Somerville has experienced many significant changes. An influx of immigrants, rising age of the population, rising housing costs, condominium conversions, and low vacancy rates have all impacted the ability of the City to provide adequate, safe, and appropriate housing options for all of its residents. With over 75,000 residents, providing adequate housing is a daunting task for a city only 4.1 square miles large, yet Somerville has been committed to doing just that for decades and continues to make affordable housing a priority. This Housing Needs Study identifies the current conditions in Somerville in an effort to formulate strategies that will best serve the residents of the City, drawing upon the existing assets and addressing the needs of the population.

The Greater Boston Housing Report Card 2004: An Assessment of Progress on Housing in the Greater Boston Area¹ reports that the Greater Boston region is now the single most expensive metro area in which to live in the United States. Talk of a housing bubble, in which housing prices escalate far beyond average expected increases, and a possibility of this bubble bursting, in which housing prices take a sudden fall due to the inability of the market to support such high increases, has brought housing to the forefront of national, regional and local discussion. It is within this environment that the Housing Needs Study for Somerville was conducted and it is clear from the findings included below that Somerville has not escaped these housing trends.

Several key findings have emerged from this study and from this a list of strategies has been recommended.

Key Findings

Housing Demand

Estimates by the U.S. Census suggest that Somerville, like the rest of Massachusetts, has lost a small percentage of its population since 2000. The makeup of Somerville's population is also changing. From 1990 to 2000, the size of the average household has decreased from 2.44 to 2.38, indicating smaller households. A large majority of residents are between the ages of 25-54 and the youth and elderly populations fell significantly in the past 10 years. Incomes have not kept pace with increasing costs of living, and the number of Somerville residents below the poverty line has increased. This is an indicator of the widening gap between higher and lower-income households.

Racially and ethnically, Somerville is experiencing increasing diversity. The number of residents who are white has fallen 12%, while all other races have seen increased percentages. The Hispanic population has increased by over 40% since 1990. In addition, Somerville's youth speak 46 different languages, indicating that the population is extremely diverse and becoming more so.

¹ Greater Boston Housing Report Card 2004, The Boston Foundation and Citizens' Housing and Planning Association, September 2005. <http://www.chapa.org/HousingReportCard2004.pdf>

Housing Supply

Somerville has roughly 31,555 occupied housing units. The majority of these units are located in two or three family homes and are renter-occupied. An estimated 66% of all units are renter-occupied, while the remaining 34% are owner-occupied in 2005. In general, there are simply not enough housing units in the City to house all of the people who would like to live here, making it difficult for people to find units. Vacancy rates are extremely low and the supply is not meeting the demand.

The housing stock in Somerville is old, with over 85% of units being constructed prior to 1920. Renovations have updated some of the housing stock and improved its condition, but the vast majority of units have not been renovated in the past 30 years, leaving these units in need of repair.

Condominium conversions have emerged as a significant trend in Somerville, as in the rest of Greater Boston. As noted above, 34% of Somerville's housing units are owner-occupied in 2005. This is up from 31% in 2000. Since 2000, 1,394 new and converted condominium units have been placed on the market. In each year since 2000, there have been more conversions than the previous year. The impacts of this trend are both positive and negative for the City's population and will be discussed in greater detail in this study.

Housing Costs

Housing costs in Somerville have been increasing for the last five years, but there is belief that this trend is leveling out. The average rent for a two-bedroom apartment in 2004 was \$1298, down just \$2 from 2003. However, rising from just \$1050 in 1998, this indicates that perhaps rents are stabilizing. Nonetheless, a family must still make almost \$60,000 a year to afford the average two-bedroom apartment in 2005.

Homeownership is even less affordable in Somerville. From 2000 to 2005, the average sales price of a single-family homes increased by 87% to \$428,450. To afford this, a family must make over \$95,000 a year, well over the median income for this region. Condominiums are slightly more affordable, though still expensive and out of reach for many residents. Since 2000, the average cost of a condominium in Somerville has increased by 51% to \$364,850. To afford this, a family must make about \$88,000 a year. Both of these options are out of reach for many households in Somerville.

Indicators of Need

Several indicators of need have emerged from this study. They include:

- Homelessness population: The Somerville Homeless Provider's Group estimates that an additional 700-800 beds are necessary to adequately serve the homeless or at-risk population in Somerville.
- Vacancy rates: Vacancy rates in Somerville remain extremely low, especially for

units affordable to low, very low and extremely-income households.

- Housing burden: 65% of households with incomes below 80% of Area Median Income (AMI) have a housing burden. Housing Burden means that households either pay more than 30% of their income towards housing, are overcrowded or have incomplete plumbing and kitchen facilities. 37% of households earning below 80% of AMI pay more than 50% of their income towards housing.
- Public Housing and Section 8 waiting lists: Over 2500 families remain on the wait lists for either public housing or Section 8 vouchers. At the current rate of housing, it would take almost 20 years to provide units for all of these families.
- Disabled and Elderly Population Needs: Both of these populations are currently underserved according to providers and require specific housing units.

Strategies

1. Target Specific Programs to Very-Low (Under 50% of AMI), Low (50-80% of AMI) and Moderate (80-110%) Income Households
2. Create new programs to assist those with income over 110%, but still struggling
3. Continue to support Lead Hazard Abatement and Housing Rehabilitation programs
4. Promote Home Buyer Training Classes and Marketing of Inclusionary Units
5. Reevaluate Down-Payment Assistance and/or Closing Cost Assistance Programs
6. Encourage and fund more permanent housing developments for homeless and disabled populations
7. Encourage development of a wider range of units, i.e. 1, 2, 3, 4 bedroom units
8. Continue to support the SHPG, AHT and local affordable housing developers
9. Re-evaluate expiring use properties when necessary to ensure continued affordability
10. Encourage in-fill development and reuse of surplus and former church properties
11. Update and expand Housing Division website for education, outreach, and program marketing purposes
12. Offer post-homeownership counseling classes to help prevent foreclosures

1. Introduction

1.1 Objectives

The City of Somerville is primarily a residential city. With over 30,000 housing units in just over 4 square miles, Somerville relies heavily on its residential market to maintain a healthy community. Like much of the Greater Boston Metropolitan area, Somerville has been experiencing a prolonged housing crisis. Housing costs that rise at greater rates than incomes, scarcity of land available for new development, and the importance of maintaining the character and rich history of a long-standing community all contribute to the difficulty of providing housing for Somerville's current and future residents. As the demographics of the City change and the needs of the community shift as a result, analysis of the City's housing needs becomes increasingly important. A city should be able to provide for the people who call it home, providing them with affordable housing where they live and work. However, without a true understanding of the needs of the community, it is impossible to create an action plan that will provide the types of housing necessary. It is with this goal in mind, to provide appropriate and adequate housing, that the City of Somerville has undertaken this housing needs assessment.

1.2 Methodology

Organization

This needs assessment is organized into five sections. The first section, Housing Demand, explores the demographics of Somerville's population to determine the housing stock most suitable for its needs. The second section, Housing Supply, presents the existing housing stock and its characteristics to discover in which areas housing is over or undersupplied. The third section highlights Housing Costs in Somerville for both renters and homeowners. The fourth section, Indicators of Need, delves into specific indicators of Somerville's housing needs, including vacancy rates, housing burden, homelessness and subsidized housing inventory. This section also explores the specific housing needs of special populations like the elderly and disabled. The last section examines and suggests strategies for connecting the demand and supply of housing in Somerville to create a holistic continuum of housing stock for the entire Somerville community.

Data Collection

This needs assessment draws upon a wide variety of sources in an effort to create a comprehensive study and action plan. Census 2000 data was heavily utilized, much of it drawn from the Somerville Five Year Consolidated Plan for 2003-2008. However, as this data is now five years old, it was supplemented with various other sources of data. Housing stock data was compiled with the help of the Somerville Assessing Department, Condominium Review Board and Inspectional Services Department. The Health Department provided valuable information regarding housing code violations. Housing costs were compiled through Boston.com advertised rents and Warren Group housing

sales data. The Greater Boston Housing Report Card 2004 is also referenced. The Somerville Public Schools provided language data to supplement the demographic section. The Somerville Homeless Providers Group, Somerville Housing Authority, Massachusetts Department of Mental Retardation, Community Action Agency of Somerville, the Somerville Commission for Women and the Visiting Nurse Assisted Living Estates staff all provided useful data as well. Additional data was compiled through the Somerville Housing Division of the Office of Strategic Planning and Community Development's internal records.

1.3 Background

The City of Somerville is located in Middlesex County, Massachusetts, just north of Boston. The U.S. Census estimates that in 2004, the city had a total population of 75,621. With only 4.1 square miles of land, Somerville is the most densely populated community in New England.

Established as a town in 1842, Somerville was separated from the urbanizing Charlestown because it was still largely rural. However, by the early 1900's, Somerville itself had become a dense urban area, welcoming immigrants from across Europe.

Today, Somerville hosts an eclectic mix of blue-collar families, young professionals, college students and recent immigrants from countries as diverse as El Salvador, Haiti, and Brazil. It is known for its large number of squares, which help mark neighborhood boundaries while also featuring bustling business and entertainment centers. Among the most active today are Davis Square, Union Square, Ball Square, Teele Square and Magoun Square. Surrounding these squares and in other parts of the City, residential uses predominate.

2. Housing Demand

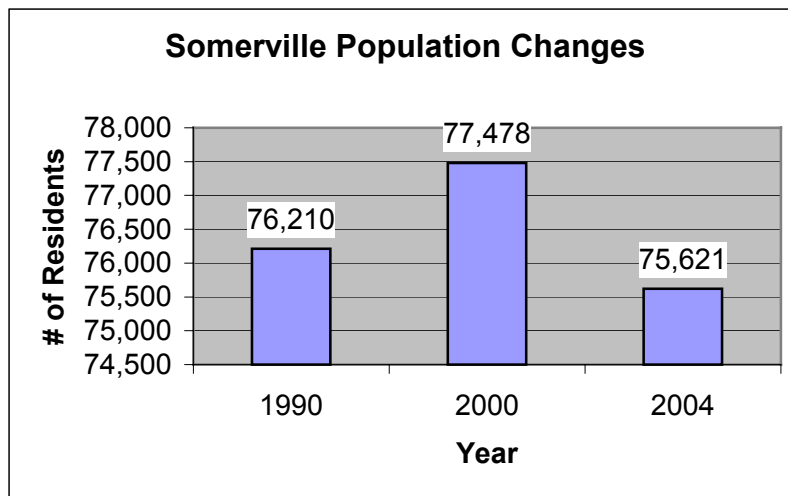
To satisfy the needs of a community, it is important to understand the composition of its population, and in turn what different groups desire and need. Characteristics such as age, income, race, household size and length of time in a community can signal different needs and necessitate different types of housing. This section will explore the general characteristics of the City's population in order to determine the demand for housing. This will guide the strategies and policies necessary to meet their needs.

2.1 Population Changes

Since 2000, Massachusetts as a whole has lost population. As documented by the Census, in 2004, Massachusetts was the only state to show a net loss in population, even factoring in high rates of foreign immigration. Somerville's population has been similarly affected by these trends. The Census estimates that since 2000, Somerville has experienced a net loss of almost 2000 residents, or 2.4% of its population.

City of Somerville Population Trends²

Year	1990	2000	2004
Population	76,210	77,478	75,621



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Even with this slight decrease in population, Somerville remains a densely populated community. 2004 estimates suggest that there are currently 18,444 people per square mile. Decreased population also does not signal less need for housing, as seen in the change of the average household composition. In addition, it is not necessarily true that

² Source: 2004 U.S. Census Population Estimates

³ Source: 2004 U.S. Federal Census Population Estimates

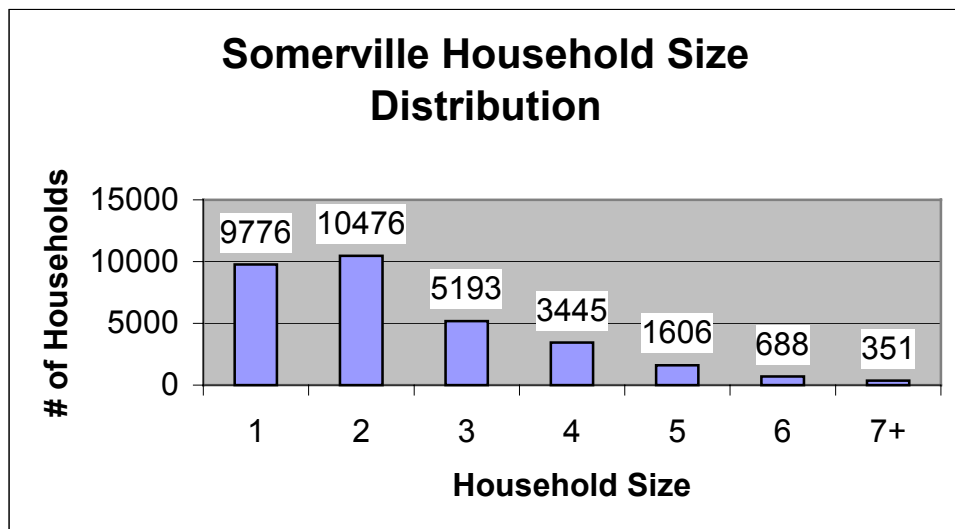
Somerville's population is in fact decreasing. Social service providers in the City have indicated that there is a large undocumented immigrant population in Somerville. This population does not answer the census and often does not wish to be identified for fear of punishment, but nonetheless these families and individuals need services and housing.

2.2 Number of Households and Household Size

While population has decreased, the number of households has increased. The number of households in Somerville grew by 4.1%, from 30,319 in 1990 to 31,555 in 2000. This number does not contradict the decreasing population. In contrast, the reason for increased households has been a steady decrease in the average household size. As the average household size decreases, more households will contain similar numbers of individuals. This trend is in keeping with the rest of the United States, as families have fewer children, divorces become more common, and individuals remain single later in life.

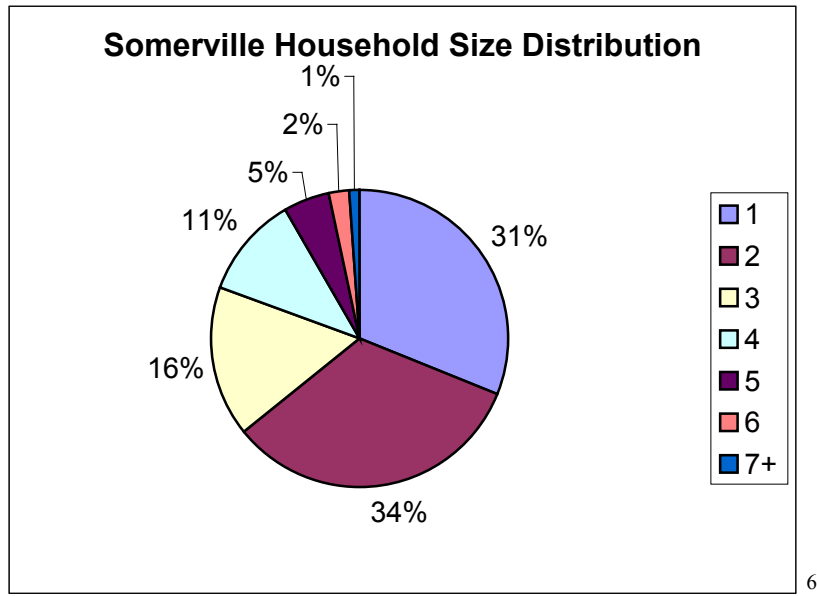
Average Household Size in Somerville⁴

	1999	2000	% Change
All Households	2.44	2.38	-2.50%
Family Households	3.10	3.06	-1.20%



⁴ Source: 2000 U.S. Federal Census

⁵ Source: 2000 U.S. Federal Census



The majority of households in Somerville in 2000 consisted of only 1 or 2 members, while only 8% of the households were considered large (5 or more members). This translates into larger demand for smaller housing units, although significant numbers of larger housing units are still necessary to house the several thousand larger families.

2.3 Age

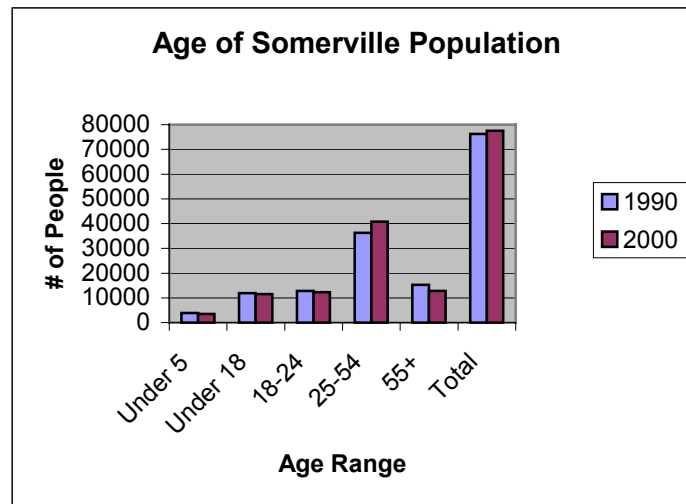
The majority of Somerville's population is within the age range of 25-54. Between 1990 and 2000, the percentage of residents in every other age group (under 5, under 18, 18-24, and 55+) fell. In addition the median age rose slightly in 2000, to 31.1 years old. The decrease in Somerville's youth and elderly populations has most likely increased since 2000 as rising housing prices make it difficult for both families and elderly residents to remain in the City, whether because it is too costly to buy or rent, or because property taxes have risen.

While it is true that Somerville's housing prices have risen, it is not safe to assume that every elderly household is being squeezed out of the market without other options. They may be leaving Somerville of their own accord. Elderly families often own their homes outright and have a large amount of equity in them. They have options in this housing market, and many of them may have opted to sell their properties at a profit, given the high sales prices, and retire elsewhere.

⁶ Ibid.

Somerville's Population by Age Group - 1990 and 2000⁷

Age Group	1990	2000	1990-2000 % Change	1990-2000 Change	% of 1990 population	% of 2000 population
Under 5	3,944	3,500	-11.30%	-444	5.20%	4.50%
5 to 9	3,136	3,085	-1.60%	-51	4.10%	4.00%
10 to 14	2,906	3,086	6.20%	180	3.80%	4.00%
15 to 17	1,881	1,824	-3.00%	-57	2.50%	2.40%
Total under 18	11,867	11,495	-3.10%	-372	15.60%	14.80%
18 and 19	2,380	2,332	-2.00%	-48	3.10%	3.00%
20 to 24	10,460	9,992	-4.50%	-468	13.70%	12.90%
Total 18 to 24	12,840	12,324	-4.00%	-516	16.80%	15.90%
25 to 34	20,133	21,362	6.10%	1229	26.40%	27.60%
35 to 44	10,226	11,623	13.70%	1397	13.40%	15.00%
45 to 54	5,922	7,802	31.70%	1880	7.80%	10.10%
Total 25-54	36,281	40,787	12.40%	4,506	47.60%	52.60%
55 to 64	5,818	4,773	-18.00%	-1045	7.60%	6.20%
65 to 74	5,194	4,059	-21.90%	-1135	6.80%	5.20%
75-84	3247	2934	-9.60%	-313	4.30%	3.80%
85 or older	963	1106	14.80%	143	1.30%	1.40%
Subtotal 65+	9,404	8,099	-13.90%	-1,305	12.30%	10.50%
Total All Ages	76,210	77,478	1.70%	1,268		
Median Age	30.8	31.1				



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As Somerville's population ages, it is important to work to provide housing for the expanding group of 25-54 year olds. However, it is also important to explore why the

⁷ Source: City of Somerville Final Five Year Consolidated Plan April 1, 2003-March 31, 2008.

⁸ Source: City of Somerville Final Five Year Consolidated Plan April 1, 2003-March 31, 2008.

younger and older populations are shrinking and to provide housing that will attract and retain these groups in Somerville.

2.4 Income

The housing needs of a community are directly linked to its incomes, based on the amount of housing an individual or household can afford. The City's residents traditionally have had modest incomes and this dictates the types of housing that are affordable and maintainable for the community. Though the adjusted household median income rose 50% from 1979 to 1999, the change from 1989-1999 was more modest (an increase of only 6%). From 1999 to 2004, estimated increases in median household income are still modest, but already have surpassed the entire change throughout the 1990s.

Somerville Inflation-Adjusted Median Incomes – 1979-2004⁹

Incomes (1999 dollars)	1979	1989	1999	2004 Estimate	Change 1979- 1989	Change 1989- 1999	Change 1979- 1999	Change 1999- 2004
Per capita	\$ 14,573	\$ 20,399	\$ 23,628		40%	16%	62%	
Household Median¹⁰	\$ 33,047	\$ 43,605	\$ 46,315	\$ 53,156	32%	6%	50%	15%
Family Median	\$ 41,811	\$ 51,770	\$ 51,243		24%	-1%	23%	

*Adjusted using CPI-U, US Average- All Cities, 2004 Household Median Income from Greater Boston Housing Report Card 2004.

In relation to the rest of the state, Somerville has actually seen improvements in its income rankings among the 351 jurisdictions in Massachusetts. From 1989 to 1999, Somerville's rank in terms of median household income improved from 275 to 265. However, as reflected in the decrease in median family income from 1989 to 1999, Somerville's rank for this category fell from 273 to 297. Despite these modest increases in median household income and per capita income, Somerville is still not a wealthy community.

Another indicator of income is the poverty rate of a community. Somerville has seen a slight increase in the number of residents with incomes below the poverty level, as illustrated in the chart below.

⁹ Ibid.

¹⁰ Household Median Income and Family Median Income are not the same. A "Household" includes all the people who occupy a housing unit as their usual place of residence. This could include roommates, a single person, or extended families living together. A "Family" is restricted to a group of two or more people who live together and are related by birth, marriage, or adoption.

Poverty Status of Somerville Population– 1989 and 1999¹¹

	1989	1999	1989 Poverty rate	1999 Poverty rate	Change	% Change
Persons whose poverty status determined	74,061	75,199			1,138	1.50%
Total persons below poverty	8,492	9,395	11.50%	12.50%	903	10.60%
Persons 18-64	5,755	6,663	10.80%	11.80%	908	15.80%
Persons 65 or older	978	1,063	10.80%	13.60%	85	8.70%
Persons age 17 or younger	1,759	1,669	15.30%	15.20%	-90	-5.20%
Families whose poverty status determined	14,876	14,592				
Total families below poverty	1,221	1,254	7.60%	8.40%	33	2.70%

In conjunction with the increasing median income, this data indicates that a small group of residents whose incomes are rising is offsetting the effects of the group of residents who have slipped into poverty over the last decade. In short, the gap between Somerville residents with higher incomes and those with lower incomes is increasing.

2.5 Race and Ethnicity

Between 1990 and 2000, the City of Somerville experienced significant changes in the racial and ethnic makeup of its population. Excluding the White population, which saw decreases from 1990 to 2000, all ethnicities and races experienced modest increases in the population.

Population by Race and Ethnicity¹²

RACE	1990	2000	1990-2000 Change	1990-2000 % Change	% of 1990 total population	% of 2000 total population
Total population	76,210	77,478	1,268	1.70%	100.00%	100.00%
Not Hispanic or Latino	71,426	70,692	-734	-1	93.70%	91.20%
White	64,287	56,320	7,967	-12.40%	84.40%	72.70%
Black or African American	3,982	4,868	886	22.30%	5.20%	6.30%
Asian or Pacific Islander	2,791	5,005	2,214	79.30%	3.70%	6.50%
Some other race	366	1,325	959	262.00%	0.50%	1.70%
Two or more races	not available	3,174	3,174		not available	4.10%
Hispanic or Latino (of any race)	4,784	6,786	2,002	41.80%	6.30%	8.80%

¹¹ Source: City of Somerville Final Five Year Consolidated Plan April 1, 2003-March 31, 2008.

¹² Ibid.

Given the current trend for domestic residents to move out of Massachusetts and foreigners to immigrate into Massachusetts, the number reported for 2000 likely underestimates the current breakdown of races in 2005.

The City of Somerville High School reports that in school year 2004-05, over 50% of students grades 9-12 spoke a language other than English as their primary language; 12.3% had limited English proficiency. A survey conducted by the Somerville Public School Administration revealed that in school year 2004-05, enrolled students spoke 46 identified languages. The chart below shows the diversity of these languages.

Languages Spoken by Somerville Public School Students 04-05

ALBANIAN	ENGLISH	PERSIAN
AMERICAN SIGN LANGUAGE	FRENCH	PORTUGUESE
AMHARIC	GERMAN	PUNJABI
ARABIC	GREEK	PUSHTU
ARMENIAN	GUJARATI	RUSSIAN
BENGALI	HINDI	SERBO-CROATIAN
BULGARIAN	HUNGARIAN	SLOVAK
CANTON DIALECT	IBO	SOMALI
CAPE VERDEAN	INDIAN	SPANISH
CHINESE	INDO-EUROPEAN	SWAHILI
CREOLE (HAITIAN)	ITALIAN	TAMIL
CRIOULO	KOREAN	TIBETAN
DANISH	LUGANDA	TIGRE
DARI PERSIAN	MANDARIN CHINESE	URDU
DUTCH	NEPALI	VIETNAMESE
		YORUBA

In addition, while only 6.3% of Somerville's total population in 2000 was African-American, 15.6% of students enrolled in the Somerville public schools in 2004 were African-American. Currently, 85% of Somerville's school age children are enrolled in public schools.¹³ Based on this high percentage, it is safe to assume that Somerville is experiencing increasing diversity that will continue to grow as children age and settle their own families in the City.¹⁴

¹³ Public School Enrollment Statistics for state and surrounding communities. Massachusetts, 90%. Boston, 82%. Cambridge, 86%. Arlington, 82%. Medford, 72%. Everett, 89%.

¹⁴ Massachusetts Department of Education website. Somerville Enrollment Indicators 2004-2005. <http://profiles.doe.mass.edu/home.asp?mode=so&so=1528-6&ot=5&o=1516&view=enr>. Accessed July 21, 2004.

3. Housing Supply

The housing stock in Somerville is characterized mostly by two and three family homes. In general, buildings are older, built in the early part of the twentieth century. Most residents are renters as well. Housing prices, both in the rental and ownership markets, are quickly escalating, making it particularly difficult for renters to transition into homeownership.

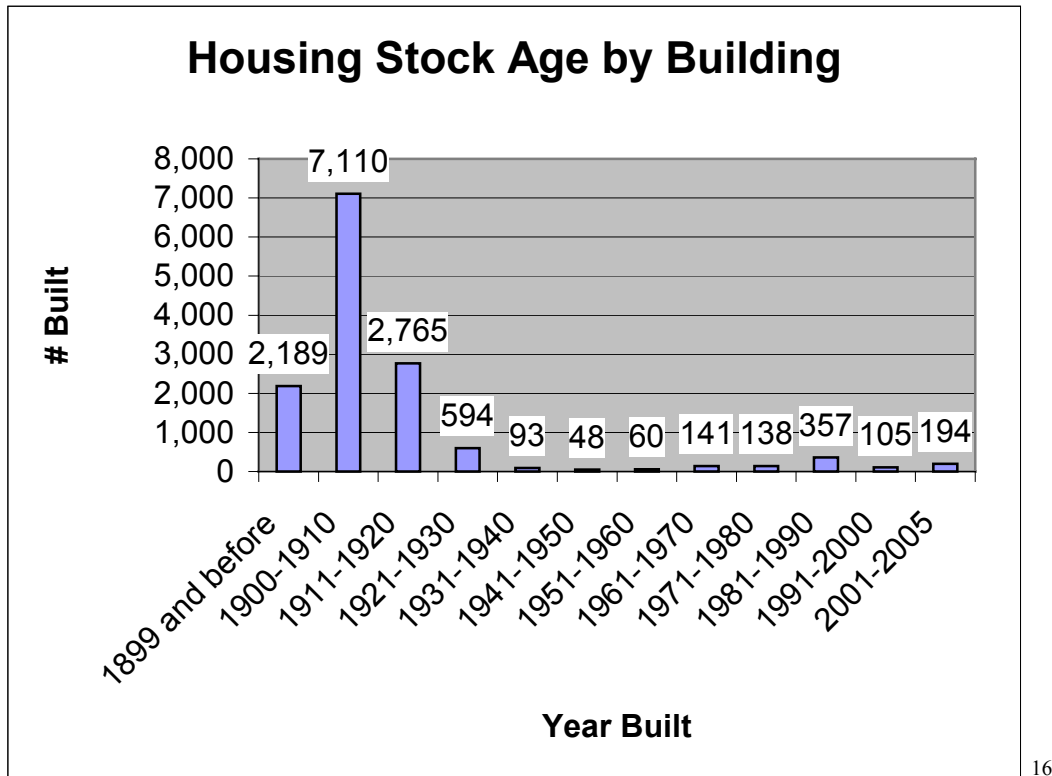
3.1 Housing Stock Age

Established as a City in 1842, Somerville remained largely rural until the twentieth century. However, as the urbanizing trend extended from Charlestown into Somerville, new housing was built at alarming rates. By 1920, over 85% of the City's existing housing stock had already been built. Since 1930 new construction has been very sparse, with a slight increase in housing creation during the real estate boom of the 1980s.

Housing Stock Age by Building as of June 30, 2005¹⁵

Years Built	%	# Built in Period
1899 and before	15.87%	2,189
1900-1910	51.54%	7,110
1911-1920	20.04%	2,765
1921-1930	4.31%	594
1931-1940	0.67%	93
1941-1950	0.35%	48
1951-1960	0.43%	60
1961-1970	1.02%	141
1971-1980	1.00%	138
1981-1990	2.59%	357
1991-2000	0.76%	105
2001-2005	1.41%	194

¹⁵ Source: City of Somerville Assessing Department.



City plans to redevelop the Assembly Square area and to encourage infill development in some of the City's more industrial neighborhoods has recently led to slight increases in housing starts and projected for the future as well. Funds from the City's Department of Strategic Planning and Community Development have also allowed non-profit developers to purchase abandoned buildings to create new housing. While not always new construction, these resources have created new housing opportunities in buildings with newer amenities. A consequence of Somerville's older housing stock is the constant need for repair and the high costs of these improvements. City money is available to low-income households to rehabilitate their properties, but many of the City's residents are ineligible, resulting in a deteriorating housing stock.

Housing Starts in the past three years have remained fairly stable and relatively low. Demolished units, as well, make up a small amount of the housing activity in Somerville. From 2002 to 2004, Somerville saw a net gain of only 64 units, or less than 1% of the total housing stock.

¹⁶ Source: City of Somerville Assessing Department.

New and Demolished Units in Somerville¹⁷

Year	# of Residential Units Demolished	# of New Residential Units Constructed	Net Gain/Loss of Units
2002	16	38	22
2003	6	33	27
2004	6	21	15
Total	28	92	64

The large majority of Somerville's land is currently built out and few opportunities for new construction exist. Large parcels in the City, including Assembly Square, Boynton Yards, the Conwell School site, and Union Square, will result in significant new construction in the future, but the rest of the city will continue to see low numbers of new construction.

3.2 Housing Tenure Type

Somerville is a city of renters. This is a trend that has been present and increasing since as early as the 1970s. While the number of owner-occupied units increased from 1990-2000, the number of renter-occupied units increased at a greater pace. Probably as a result of conversions to rental units and demolition, between 1970 and 2000, Somerville actually lost owner-occupied units.

Somerville Housing Units and Tenure – 1970 - 2000¹⁸

						Change vs. prior decade	
Year	Occupied Units	Owner Occupied Units	Renter Occupied Units	% owner-occupied	% renter-occupied	owner-occupied units	renter-occupied units
1970	28,944	9,877	19,117	34.10%	65.90%		
1980	29,687	9,732	19,955	32.80%	67.20%	-145	838
1990	30,319	9,398	20,921	31.00%	69.00%	-334	966
2000	31,555	9,656	21,899	30.60%	69.40%	258	978
Change '70-00	2,611	-221	2,782	-3.50%	3.50%		
Change '90-00	1,236	258	978	-0.40%	0.40%		

Source: 1990 and 2000 Census; HUD State of the Cities Data Base

Nearly 70% of units in Somerville were occupied by renters in 2000. With the current conversions of rental properties into condominiums, the trend of increasing renter-occupied units may soon reverse. Given the high number of condo conversions since 2000, the breakdown of tenure for Somerville is already changing. From 2000-2005, 1,394 condo units were created. While some of these condos were new construction, this

¹⁷ Source: City of Somerville Inspectional Services Department.

¹⁸ Source: City of Somerville Final Five Year Consolidated Plan April 1, 2003-March 31, 2008.

trend will certainly have an impact on the number and percentage of units that are owner-occupied.

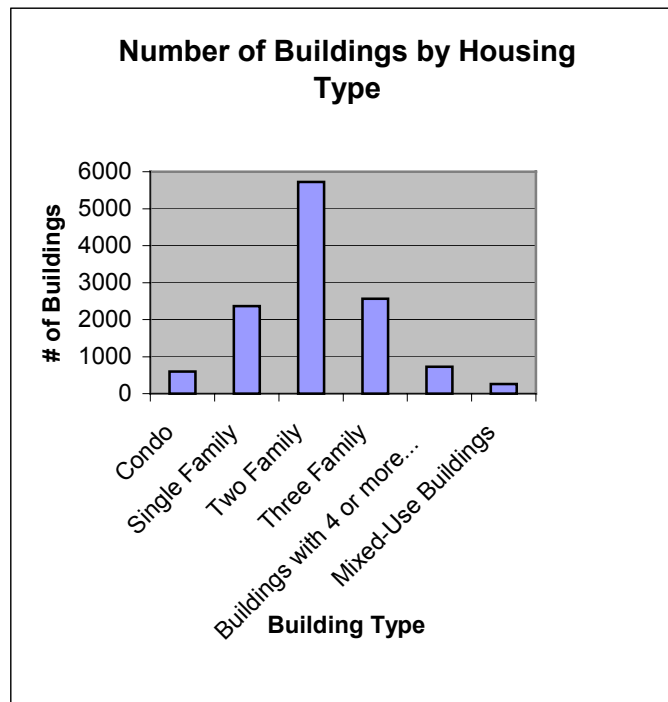
Based on condo conversion numbers from renter-occupied units and estimated housing start data, it appears that an increased percentage of units are now owner-occupied. Today's percentages are more in line with the 1970 numbers. If condo conversions continue at their current pace, this trend will certainly have an impact.

Condo Conversion Impact on Tenure Type 2000-2005¹⁹

	Total Occupied Units	Owner-Occupied	Change 2000-2005	% Owner-Occupied	% Change 2000-2005	Renter-Occupied	Change 2000-2005	% Renter-Occupied	% Change 2000-2005
2000	31555	9656		30.6%		21899		69.4%	
2005	31661	10873	1217	34.3%	3.7%	20788	-1111	65.7%	-3.7%

3.3 Building Type

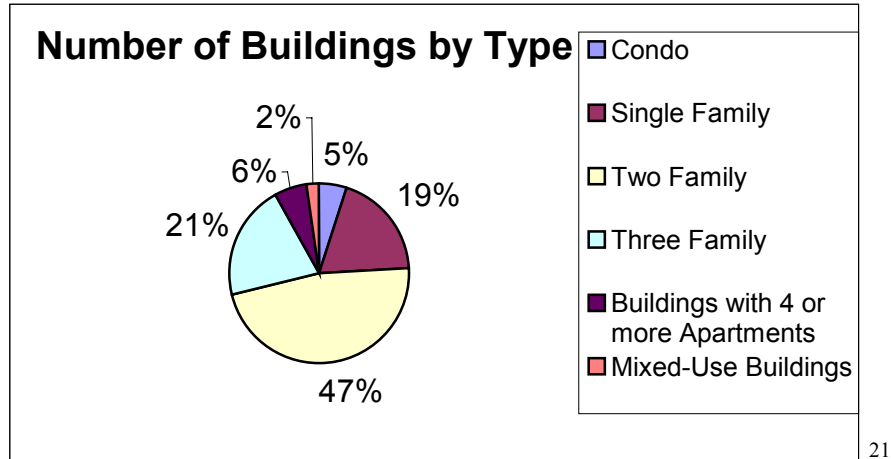
Somerville's housing is characterized by detached homes. Almost 50% of these homes contain two units. Three-family and single-family homes make up the rest of these units. Only a small portion, less than 10% of buildings, contain either 4 or more units or are in mixed-use buildings.



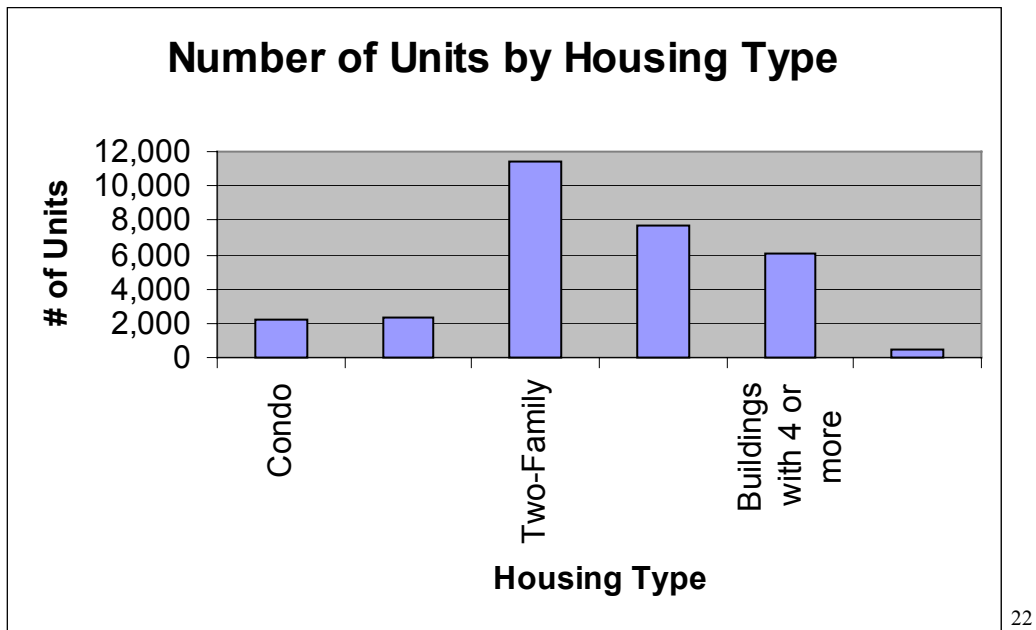
20

¹⁹ Source: 2000 U.S. Federal Census, Somerville Assessing Department, Somerville Inspectional Services Department and Somerville Condominium Review Board.

²⁰ Source: City of Somerville Assessing Department.

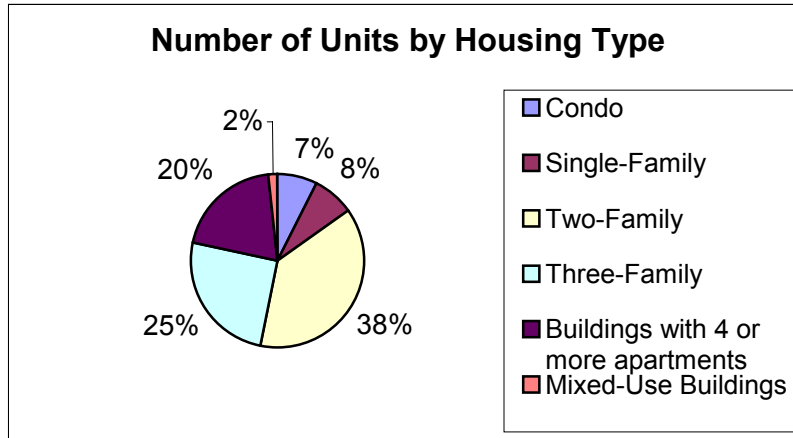


The majority of Somerville's housing units are also contained within two and three-family homes. Buildings with four or more units contain a larger portion of units than indicated by their building, because these buildings can contain large numbers of units within one structure.



²¹ Source: City of Somerville Assessing Department.

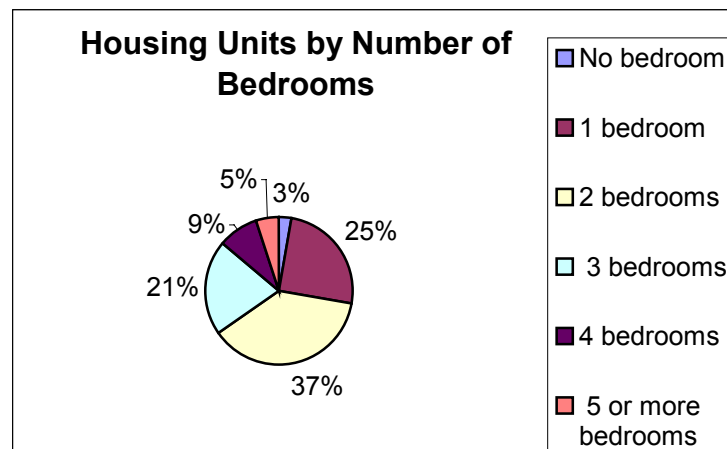
²² Ibid.



The large number of two and three family homes provides an opportunity for both rental and homeownership opportunities. They are also likely candidates for condominium conversion.

3.4 Units by Number of Bedrooms

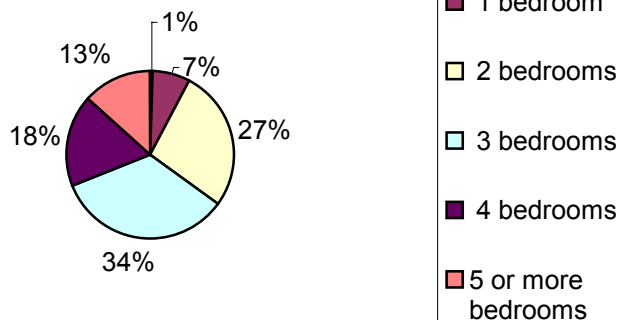
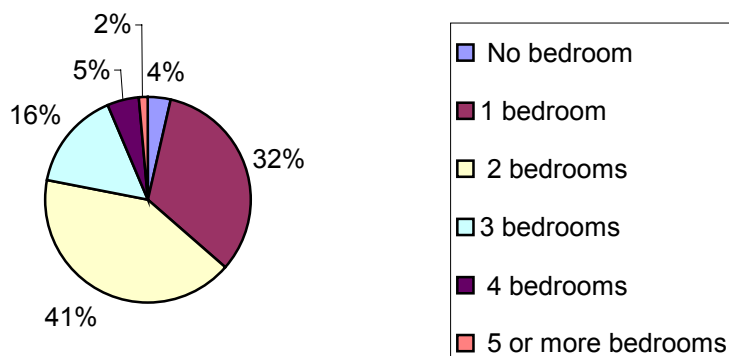
In general, Somerville's housing units are well distributed by the number of bedrooms. When looking at all of the housing units in Somerville, a fairly equal amount of units have one, two and three bedrooms. A smaller number of 4 and 5+ bedroom units exist and a very small number of studio units are also present in Somerville.



However, when the units are broken down by tenure type, it becomes clear that larger units are available for ownership than for rent. The majority of owner-occupied units have two to four bedrooms, while the majority of renter-occupied units have one to two bedrooms. This means that larger households that do not have the means to buy a home have fewer options. It also means that smaller households hoping to own have fewer options. In addition, it is important to note that very few studios exist in either tenure category. Studios are often the most affordable option for single-person households and should be a part of the housing stock as well.

Percentage of Units by # of Bedrooms by Tenure Type

Tenure	No Bedrooms	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 or more Bedrooms
Owner Occupied	1	7	27	34	18	13
Renter Occupied	4	32	41	16	5	2

Owner-Occupied Housing Units by Number of Bedrooms**Renter-Occupied Housing Units by Number of Bedrooms**

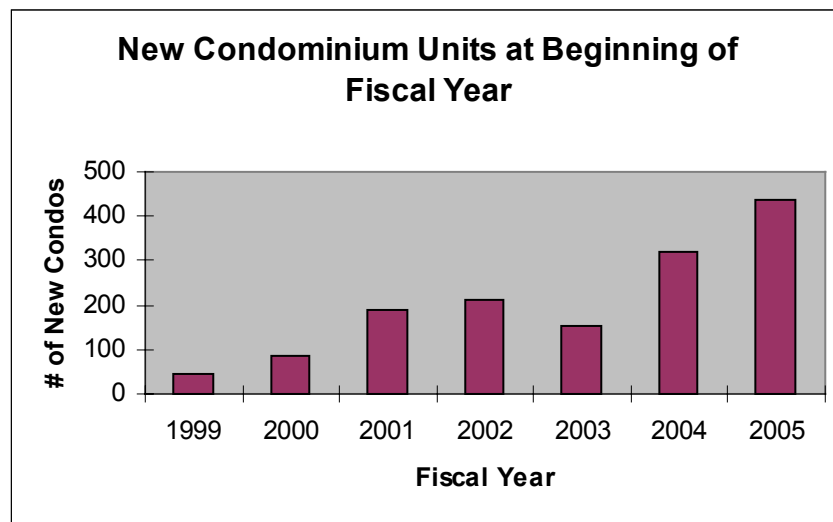
It is important to have a housing stock that can adjust to these changes, because the average household size in Somerville is currently decreasing. A variety of housing units offering a range of bedroom numbers will provide the most ideal situation for Somerville's changing population.

3.5 Condominium Conversions

As prices for housing costs rise (see Section 4), fewer households are able to buy single-family and two-family homes. The costs of land, maintenance and larger units make this option impossible for many potential buyers. In Somerville, a trend has emerged that has made first-time homeownership more feasible and has increased the total number of

ownership units in the City. As indicated above in Section 3.2, a significant number of conversions of multi-family rental structures to condominiums have taken place in the last five years. The percentage of owner-occupied units increased an estimated 3% from 2000 to 2005. The conversion market shows no sign of slowing, as indicated by the 311 condominium conversions approved for the first half of 2005. If the conversions continue at this pace, over 600 units will be removed from the rental market and converted to condos by the end of 2005.

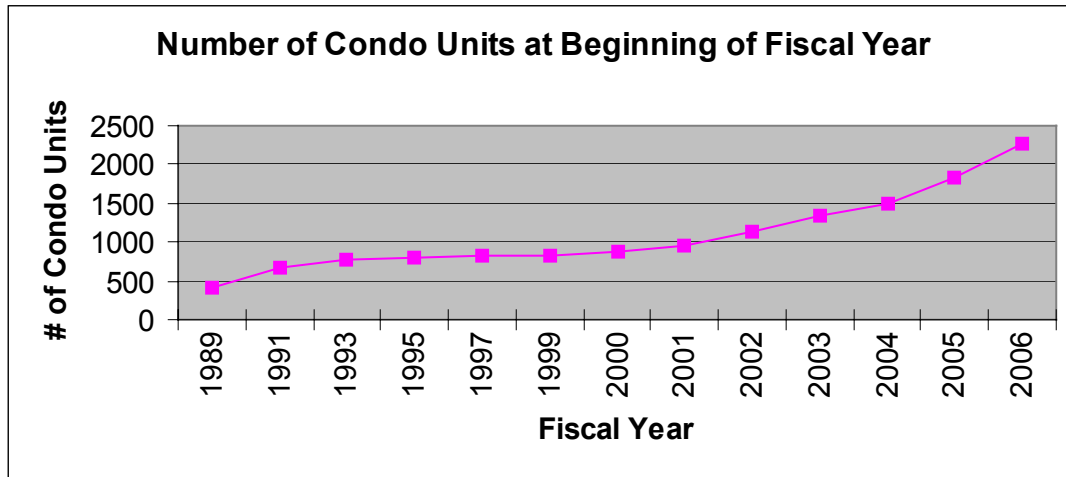
Since 2000, at the time of the last census, 1,394 new and converted condominium units have been placed on the market. In every year since 2000 except 2003, the City of Somerville has seen more conversions than in the previous year. Note that the City of Somerville's fiscal year extends from July 1st to June 30th. For example fiscal year 2005 includes all dates from July 1, 2004 to June 30, 2005.



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Since the late 1980's, when the condominium conversion trend first began to take shape, the number of condos in Somerville has increased by 500%, increasing from 409 units in 1989 to 2,258 in June of 2005.

²³ Source: City of Somerville Assessing Department, Somerville Condominium Review Board.



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The effects of increased condominium conversions are significant for several reasons. First, because condominiums are often smaller and share land values with other units, condos are most often more affordable than single-family homes, making first-time homeownership more feasible. Second, because the sum of the less expensive condo units is greater than the original value, the assessed value of a converted two or three-family home is often higher after converting to condominiums, resulting in higher tax revenues for the City. Third, there has been a decrease in the number of rental properties in the City, which still remains the most affordable housing option, as seen in Section 4. While Somerville has historically had an overabundance of rental properties, the population has come to rely on these rental units and conversions can have an impact on the number of renters who can afford to live in the City.

The full effect of these conversions will not be clear for several years, but initial observations reveal that the conversions have increased affordability for moderate-income households while decreasing available affordable rental units for low-income households. It is also important to note that it is not likely that all rental units being converted to condominiums were affordable prior to the conversion. These particular conversions will not have an impact on low-income households.

3.6 Housing Supply Product²⁵

One of the most basic indicators of housing need is the sheer number of units available for housing. If there are simply not enough housing units for the number of people living in Somerville, affordability and safety will become irrelevant. Taking into account the average household size, the total number of housing units and the total population in Somerville, it is possible to see if the City has a sufficient number of units for its population to live in. Keep in mind that the Greater Boston housing market is very fluid and that residents of Somerville often move back and forth between surrounding

²⁴ Source: City of Somerville Assessing Department, Somerville Condominium Review Board.

²⁵ Calculations and the basis for the Housing Supply Product were borrowed from a Housing Needs Assessment conducted by the City of Richmond, Indiana in 2002.

communities. The Greater Boston region is in need of additional housing units, so any progress made within the city limits of Somerville will have little impact if not matched by the rest of the region.

To obtain this number, first divide the number of housing units by the total population in Somerville to determine the number of housing units per person. Then multiply this number by the average household size to see whether there are a sufficient number of units, what is called the “Housing Supply Product”. A number greater than one indicates that more than enough housing units are present in the City to house the average household. A number less than one would indicate the opposite, an insufficient number of housing units.

Housing Supply Product in Somerville in 2000 ²⁶		
Average Household Size	Housing Units per Person	Average Household Size x Housing Units per Person
2.38	0.42	1.00

As illustrated in the chart above, Somerville’s Housing Supply product is exactly 1.00. This indicates that while Somerville had an adequate supply of housing for the average household in 2000, there is very little room for change. For instance, if the average household size continues to decrease as is expected, there will be insufficient units. Or if Somerville’s population increases slightly, there will be insufficient units. Any removal of units from the market will have a similar effect.

3.7 Housing Condition

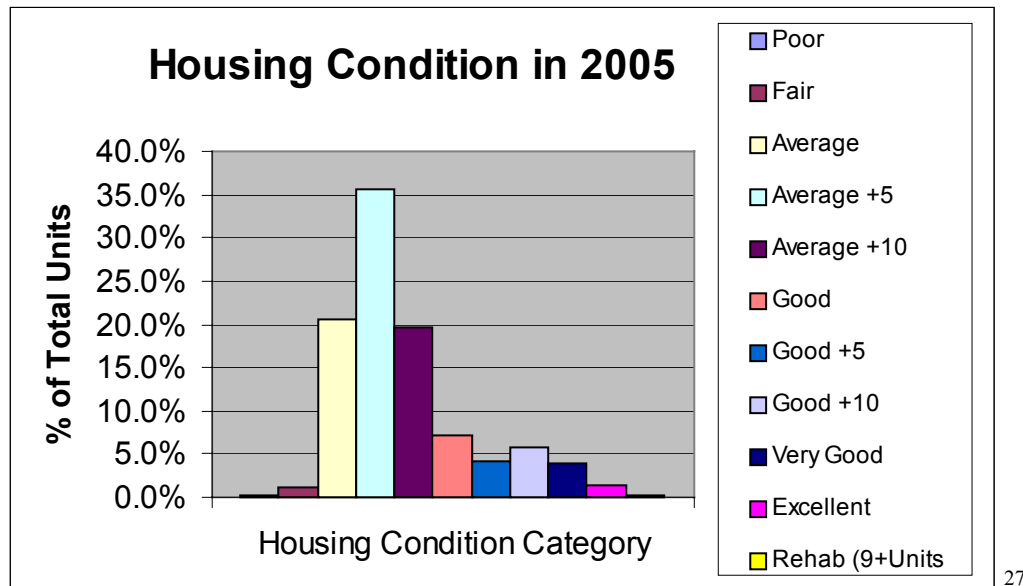
The condition of Somerville’s housing units is assessed and categorized by the Assessor’s Department. While the categories are somewhat subjective, they provide the most realistic snapshot of the condition of the City’s housing stock and a more accurate assessment than looking only at the year built. For example, a single-family home built in 1920 and fully remodeled in 1980 would be listed as being built in 1920, but would also have an effective year built date of 1980. In order to account for remodeling jobs and deterioration of units, the assessing department uses the housing condition designations.

These designations are as follows:

- Poor: No rehabilitation or maintenance performed since early 1900s, close to condemnation
- Fair: Remodeled through the late 1950s, poor maintenance and significant deterioration

²⁶ Source: 2000 U.S. Federal Census.

Average: Remodeled through mid-1960s
 Average +5: Remodeled through late 1960s to early 1970s
 Average +10: Remodeled through late 1970s
 Good: Remodeled through early 1980s
 Good +5: Remodeled through mid-1980s
 Good +10: Remodeled through early 1990s
 Very Good: Remodeled through late 1990s
 Excellent: Brand New (Built or remodeled since 2000)
 Rehab: Refers to Buildings with 9 or more units only that have undergone extensive rehabilitation



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Housing Condition by Building Type in 2005²⁸

	1 Fam	%	Condo	%	2 Fam	%	3 Fam	%	Mult	%	4-8 Units	%	9+Units	%	Totals	%
Poor	6	0%	0	0%	19	0%	8	0%	0	0%	1	0%	0	0%	34	0%
Fair	49	2%	3	0%	78	1%	33	1%	0	0%	4	1%	0	0%	167	1%
Average	433	18%	245	11%	993	18%	463	18%	15	19%	499	92%	106	76%	2756	21%
Average +5	947	40%	175	8%	2501	46%	1134	44%	21	27%	13	2%	0	0%	4793	36%
Average +10	501	21%	310	14%	1219	22%	561	22%	18	23%	13	2%	0	0%	2623	20%
Good	197	8%	197	9%	373	7%	173	7%	21	27%	0	0%	13	9%	975	7%
Good +5	87	4%	262	12%	134	2%	72	3%	1	1%	4	1%	0	0%	560	4%
Good +10	67	3%	525	23%	102	2%	75	3%	2	3%	4	1%	0	0%	775	6%
Very Good	52	2%	386	17%	51	1%	38	1%	0	0%	5	1%	0	0%	532	4%
Excellent	24	1%	132	6%	20	0%	5	0%	1	1%	0	0%	0	0%	182	1%
Rehab	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	21	15%	21	0%
TOTAL	2363	100%	2235	100%	5490	100%	2562	100%	79	100%	543	100%	140	100%	13418	100%

²⁷ Source: City of Somerville Assessing Department.

²⁸ Ibid.

While Somerville's housing stock as a whole is in average condition, condo units have much better condition ratings. In bold, the table above displays the greatest concentration of units for each housing type. Every category other than condos has a concentration of units with average to average +10 ratings. Condominium units concentrate around the Good +5 to Very Good ratings. Despite being more affordable than single-family homes, condos offer a more updated and better-maintained housing option in Somerville.

3.8 Code Violations

Examining code violations can also serve to assess the condition of a city's housing stock. In 2004, the Somerville Health Inspectors conducted full inspections of 65 units and found 51 of these to be in violation of health codes. Of those units in violation, 92%, or 47 units, were found to be in compliance upon reinspection.

Housing Inspections in 2004²⁹

Full Housing Inspections	65
Housing Units in Violation	51
Units in Violation Corrected	47

In addition to the full housing inspections, the Health Inspectors responded to 895 complaints. The chart below illustrates the types of complaints to which the City of Somerville has responded.

Complaints Investigated in 2004³⁰

Complaint Type	# of Complaints	% of Complaints
Asbestos	8	0.9%
Birds/Cats/Dogs	30	3.4%
Dumpsters	7	0.8%
Electrical	27	3.0%
Fumes/Soot/Odor	6	0.7%
Gas	10	1.1%
Heat	52	5.8%
Hot Water	13	1.5%
Leaks/Roofs/Ceilings	12	1.3%
Locks/Doors	4	0.4%
Plumbing	14	1.6%
Roaches/Insects	28	3.1%
Rodents/Rats/Mice	164	18.3%
Rubbish/Garbage/Trash	385	43.0%
Sewage	3	0.3%
Unsanitary Conditions	7	0.8%
Miscellaneous	125	14.0%
Total Complaints Investigated	895	100.0%

²⁹ Source: City of Somerville Health Department.

³⁰ Ibid.

The largest percentage of complaints (43%) was related to rubbish/garbage/trash. This is a fairly easily remedied problem. Rodents/rats/mice were the next largest complaint (18.3%).

4. Housing Costs

This section explores the costs of housing in Somerville. The costs of both rental and ownership are discussed. It is important to note that housing costs are extremely variable between different units due to condition, location, seller, and time of year. However, the numbers presented below are estimates of what it might cost to live in Somerville.

4.1 Rental

Housing costs are difficult to assess. There is no comprehensive data on current rents for Somerville, although there are several ways to extract this data. A recent survey of Boston.com's available apartment listings for one, two and three-bedroom units revealed average rents for new movers. Due to landlords' willingness to raise rents on new renters more than long-term tenants, new mover rents are often higher than established rents. Of the 268 units listed, 60 were one-bedrooms, 113 were two-bedrooms and 95 were three-bedrooms. The average rents of these units are illustrated in the chart below.

Average Rent by Bedroom Size for New Movers in 2005³¹

1 Bedroom	2 Bedroom	3 Bedroom
\$ 1,186	\$ 1,433	\$ 1,832

These rent amounts are consistent with a separate study done by the Somerville Housing Authority used to establish payment standards for their Section 8 program. Based on 40th percentile new mover rent estimates in 2003, SHA pays \$1181 for a one-bedroom unit, \$1477 for a two-bedroom, and \$1848 for a three-bedroom, including utilities. These numbers indicate that rents may have actually fallen since 2003. The 50th percentile (average) rents in 2005 are slightly lower than the 40th percentile (below average) rents in 2003. Anecdotally, realtors and landlords have noted that rents appear to be stabilizing and falling slightly since the peak in 2002-2003.

Data from the Greater Housing Report Card of 2004, a report prepared for the Boston Foundation and Citizen's Housing and Planning Association, suggests that rent prices are still increasing. Data collected from 1998 through 2003 indicates that the rental market peaked in 2001 and began falling after and has now stabilized. Rental prices for 2005, though, suggest that the stabilization never occurred.

Median Advertised Rent for Two-Bedroom Apartment in Somerville 1998-2004³²

1998	2001	2002	2003	2004	% Change 1998-2001	% Change 2001-2004	% Change 2003-2004
\$1,050	\$1,400	\$1,350	\$1,300	\$1,298	33.30%	-7.30%	-0.20%

³¹ Source: Boston.com advertised rents in Somerville for one, two and three bedroom units on July 1, 2005.

³² Source: Greater Boston Housing Report Card 2004, The Boston Foundation and Citizens' Housing and Planning Association, September 2005. <http://www.chapa.org/HousingReportCard2004.pdf>

The advertised rent for a two-bedroom apartment in 2005 was \$1433, an increase since 2004 of roughly 10%. However, the rents monitored for the Somerville Needs Assessment were drawn from advertised rents on Boston.com on July 1, 2005. The rents monitored for the Greater Boston Housing Report Card were drawn from advertised rents in the Boston Globe Sunday edition. The types of apartments listed with each source may account for the discrepancy.

The Greater Housing Report Card also reported on the percentage of area median income that would be necessary to rent the average two-bedroom unit in Somerville. Similar calculations are illustrated in the Housing Cost Comparison Worksheets included in this study. In all four years examined in the report, this percentage exceeded the commonly used 30% threshold.

Advertised Rents vs. Median Renter Income³³

2001 est. Median Renter Income	2001 Median Rent	% of Income Needed for Rent	2002 est. Median Renter Income	2002 Median Rent	% of Income Needed for Rent	2003 est. Median Renter Income	2003 Median Rent	% of Income Needed for Rent	2004 est. Median Renter Income	2004 Median Rent	% of Income Needed for Rent
\$44,364	\$1,400	38%	\$45,166	\$1,350	36%	\$46,053	\$1,300	34%	\$44,807	\$1,298	35%

As noted above, conventional wisdom suggests that paying more than 30% of a household's income towards housing costs indicates housing burden. In no year studied was median renter income adequate to pay only 30% of income towards the median rent.

4.2 Homeownership

Homeownership, though less prevalent in Somerville than renting (only an estimated 34% of Somerville's housing units are currently owner-occupied), has become increasingly less affordable as well. According to the Warren Group, from 2000 to 2005, the average price of a single-family home rose 87%, from \$229,000 to \$428,450. The price of the average condo, while still more affordable than a single-family home, rose 51% in the same time period from \$242,000 to \$364,850. In fact, in 2000, buying a condo was more expensive than buying a single-family home. The change in price is most likely due to the increased number of condominiums in the City, driving down their costs.

³³ Source: Greater Boston Housing Report Card 2004, The Boston Foundation and Citizens' Housing and Planning Association, September 2005. <http://www.chapa.org/HousingReportCard2004.pdf>

Average Sales Price by Housing Type 2000-2005³⁴

	Single-Family	% Change	Condo	% Change	All Sales	% Change
2000	\$ 229,000		\$242,000		\$310,000	
2001	\$ 280,000	22%	\$279,875	16%	\$339,000	9%
2002	\$ 329,500	18%	\$310,000	11%	\$375,000	11%
2003	\$ 362,500	10%	\$327,750	6%	\$390,000	4%
2004	\$ 381,000	5%	\$322,750	-2%	\$400,000	3%
2005*	\$ 428,450	12%	\$364,850	13%	\$464,000	16%
Change 2000-2005	\$ 199,450	87%	\$122,850	51%	\$154,000	50%

* 2005 Data through May only

Housing prices appear to have spiked significantly in 2001 and 2002, with extreme increases in average sales price for both single-family homes and condos. These increases have moderated slightly in the past few years. With the exception of 2004 when fewer new condos were built, Warren Group data also reveals that while the number of single-family home sales has fluctuated over the past 5 years, condominium sales have continued to increase. From 2000 to 2005, the number of sales per year grew from 176 to an estimated 350, an increase of almost 100%.

Housing Sales in Somerville³⁵

Year	1-Family	% Change	Condo	% Change
2000	129		176	
2001	115	-11%	252	43%
2002	132	15%	296	17%
2003	102	-23%	350	18%
2004	145	42%	282	-19%
Projected 2005*	120	-17%	350	24%
Change 2000-2005	-9	-7%	174	99%

* Based on data from Warren Group through May of 2005

Increased condo sales reflect the increase in the number of condos. Newly constructed and converted condo units will naturally lead to more sales. In addition, as the average household size decreases, smaller condo units may be more attractive to buyers than larger single-family homes. While the number of single-family sales has fluctuated over the past five years, condo sales have consistently outpaced single-family sales. Projected numbers for 2005 suggest that by year's end condo sales will exceed single-family home sales by almost 300%.

4.3 Housing Affordability

Housing Prices continue to rise in Somerville, although indications of a steadying of the market in the past few years abound. Despite this softening, a housing gap between prices for rental and ownership units and incomes remains. The chart in Appendix A

³⁴ The Warren Group Real Estate and Financial Information, www.thewarrengroup.com.

³⁵ The Warren Group Real Estate and Financial Information, www.thewarrengroup.com.

illustrates the gaps between the amount of money the average household in Somerville makes, the amount needed to secure adequate housing and the amount necessary to receive housing subsidies and supports

As seen in the Housing Cost Comparison for a 4-person household Worksheet (Appendix A), a family of four in the City of Somerville is faced with limited options. Making 100% of the Area Median Income (\$82,600), and assuming that only 30% of the family's income will be spent on housing costs, this family in 2005 cannot afford to buy either a median priced condominium or single-family home. While it is within this family's price range to rent a one two or three-bedroom apartment, families with slightly lower incomes are not so fortunate. A family making 80% of AMI can no longer afford to rent a three-bedroom apartment. A family making 50% of AMI is left with far fewer choices; they cannot even afford the typical one-bedroom apartment in Somerville. This family can afford to pay only \$1033 a month, despite the average rent for a 1-bedroom apartment of \$1186. Given that a family of four would require a minimum of two bedrooms to meet its needs, there is actually an affordability gap of roughly \$400 a month or almost \$5,000 annually.

For a two-person household, closer to the average household size in Somerville of 2.38, it is even more difficult to afford an apartment, condo or single-family home in Somerville, as illustrated in the Housing Cost Comparison for a 2-person household (Appendix A).

Affordable housing programs created to bridge this gap are no longer able to sufficiently increase affordability. Section 8 rental assistance is available to families making up to 50% of AMI and Public Housing units are open to families making up to 80% of AMI, but many families with incomes above this threshold still experience housing burdens. In addition, insufficient funds for the housing authority and the current rental market make it difficult to obtain a voucher and often make it impossible to find a qualified apartment.

Somerville's Inclusionary Zoning Ordinance provides some relief to burdened families. The ordinance provides new housing in market-rate developments affordable to families earning up to 80% and 110% of AMI. This provides families who may not have otherwise been able to buy or rent with an opportunity to do so. Somerville has implemented a policy that lowers the ratios of housing costs from 30% to 28%, allowing lower income households an opportunity to purchase these units, but regardless they remain out of reach for many households.

5. Indicators of Need

In addition to examining the housing demand and supply in Somerville, indicators of need that can provide insight are included in this section. These include traditional ways of examining the housing market such as vacancy rates and homelessness counts as well as more abstract methods such as Housing Supply Product and Affordability Mismatch. In addition, a look at specific segments of the population provides a comprehensive assessment of the City's housing needs.

5.1 Homelessness

A clear indicator of housing needs is the prevalence of a large homeless population. Given the size of Somerville's total population (estimated at 75,621 in 2005), Somerville has relatively few homeless individuals and families residing within its borders. Based on Somerville and Cambridge's annual homeless count in January of 2005³⁶, only 204 individuals in Somerville were considered homeless. This low count, however, does not imply that there is no need for homeless providers and their services. First, as in any city's homeless population count, the number of homeless individuals is most likely undercounted. People living with friends and relatives, people who have left the city in search of cheaper housing and people living in hotels and motels temporarily were not counted in this list. In addition, Somerville has a number of programs run by non-profits aimed at preventing homelessness. While these programs, such as rental assistance and landlord mediation, make it possible for more Somerville residents to avoid homelessness, it does not erase the need for more affordable housing.

Somerville Homeless Population Count 2005³⁷					
Location	Men	Women	Children	Unknown	Total
Somerville Hospital	4	1			5
New Day		10	3		13
Shortstop	4	8			12
SHC Chapel St.	8	4			12
SHC Cross Street	1	5	10		16
Somerville Police					0
Just-a-Start		8	9		17
St Patrick's		31			31
ESC	18 (Somervillians)	5 (Somervillians)			23
Respond / Transition House		10	12		22
CASPAR Men's res.	47				47
Street counted	3			3	6
DTA – Hotels, Motels, etc.	Claim no families or individuals in hotels				0
Totals	85	82	34	3	204

³⁶ Somerville and Cambridge conduct their annual homeless count together, due to the overlap of services between the two communities, as well as the fluid borders between the cities.

³⁷ Somerville Homeless Providers Group.

Somerville Homeless Population in 2004-05		
Total Population	Homeless Population	% Homeless
75,621	204	0.27%

While a small percentage of Somerville's residents are homeless according to the latest homeless population count (only 0.27%), the Somerville Continuum of Care grant application for 2005 estimates much larger needs. Reporting on the number of beds available for emergency shelter, transitional housing and permanent supportive housing, the Continuum of Care Activity Chart displayed below shows that while 325 total beds or units are available for some level of supportive housing, the unmet need may be as large as 700-800 beds. The number of people currently housed for the Continuum of Care is much larger than the number reported in the homeless population count because individuals in permanent supportive housing are not considered homeless. However, these people were often homeless or at risk of becoming homeless immediately prior to their placement. Also, the numbers in the Continuum of Care Activity Chart may be higher than the homeless population count, because many Somerville residents who are homeless and cannot find sufficient shelter leave the City altogether in search of housing.

Fundamental Components in CoC System - Housing Activity Chart ³⁸							
EMERGENCY SHELTER							
Provider Name	Facility Name	Target Pop.		2005 Year-Round Units/Beds			
		A	B	Family Units	Family Beds	Indiv. Beds	Total Year-Round
Current Inventory							
Somerville Homeless Coalition	Family Shelter	FC		5	20		20
Somerville Homeless Coalition	Adult Shelter	SMF				12	12
Catholic Charities	St. Patrick’s	SF				25	25
Respond	RESPOND	FC	DV	4	9		9
Spectrum	Adolescent Shelter	YMF				20	20
CASPAR, Inc	Emergency Service Ctr	SMF				21	21
Just A Start	Young Parent Shelter	FC		10	22		22
		TOTALS		19	51	78	129
Under Development		Anticipated Occupancy Date					
Wayside	Wayside	10/2/2009 (YMF)				12	12
Somerville Homeless Coalition	Adult Shelter	9/2/2009 (SMF)				4	4
		TOTALS				16	16
Unmet Need		TOTALS		25	66	147	213

³⁸ Source: Ibid.

Definitions of Abbreviations: FC: Families with Children, SMF: Single Males and Females, SF: Single Females, SM: Single Males, YMF: Young Males and Females, DV: Victims of Domestic Violence

Fundamental Components in CoC System - Housing Activity Chart							
Transitional Housing							
Provider Name	Facility Name	Target Pop		2005 Year-Round Units/Beds			
		A	B	Family Units	Family Beds	Individual Beds	Total Year-Round Beds
Current Inventory							
CASPAR	Men's Residential	SM				44	44
CASPAR	New Day	FC		10	20	0	20
Catholic Charities	St. Catherine's	SF				10	10
Wayside	ShortStop	YMF				9	9
Wayside	ShortStop	YMF				6	6
Just A Start	Next Step	FC	DV3	3	9	0	9
		TOTALS		13	29	69	98
Under Development		Anticipated Occupancy Date					
NONE							
		TOTALS		0	0	0	0
Unmet Need		TOTALS		30	80	73	153

Fundamental Components in CoC System - Housing Activity Chart							
Permanent Supportive Housing							
Provider Name	Facility Name	Target Pop		2005 Year-Round Units/Beds			
							Total
		A	B	Family Units	Family Beds	Individual /CH Beds	Year-Round Beds
Current Inventory							
Somerville Community Corp.	Sewall Street SRO	SMF				14/0	14
Somerville Homeless Coalition	PASS - scattered	SMF		5	15	1/0	16
Somerville Homeless Coalition	Shelter Plus Care	FC		3	8	4/4	12
Somerville Homeless Coalition	Better Homes	SMF		2	5	4/3	9
Transition House	Kent Street	FC		8	25	0/0	20
YMCA	Highland Ave SRO Targeted units	SMF				12/0	12
Visiting Nurses Association	Assisted Living Com. Targeted Units	SF				15/0	15
		TOTALS		18	53	50/7	98
Under Development		Anticipated Occupancy Date					
Somerville Homeless Coalition	Better Homes II	11/2/2009 (SMF)		0	0	14/0	14
Somerville Homeless Coalition	Better Homes II	11/2/2009 (FC)		4	10	0/0	10
		TOTALS		4	10	14/13	24
Unmet Need		TOTALS		20	75	250/150	

The homeless providers in Somerville do not report high vacancy rates either. Assuming a moderate estimate of the unmet need, and taking into account the 16 emergency shelter units and 24 permanent supportive housing units under construction, Somerville still has a large amount of housing to produce to house everyone in need.

5.2 Vacancy Rates

In the housing and planning community, a 5% vacancy rate is generally considered healthy. Vacancy rates lower than 5% indicate insufficient housing and rates higher than 5% indicate an oversupply of housing. Vacancy rates can also be used to look at certain segments of the housing market more specifically. Rental vacancy rates and homeownership vacancy rates can differ greatly in a community. Similarly, vacancy rates for 1-bedroom units can differ from family size units.

Data from the 2000 census, presented in the chart below, has been compiled to show vacancy rates by bedroom size, tenure type and affordability. The chart also displays the percentage of affordable units that are occupied by households within that income range, allowing us to determine where the greatest needs lie. A low vacancy rate in higher cost rental units may force higher-income tenants to expand their housing search to less desirable units, taking lower rent units off the market.

Owners

Affordability Mismatch for Somerville Owners³⁹				
Units by # of bedrooms				
	0-1	2	3+	Total
Housing Units by Affordability				
Value <= 50%				
# Occupied Units	14	33	139	186
% Occupants <=50%	71.4	87.9	38.8	50
% Built before 1970	NA	NA	NA	95.7
% Some Problem	71.4	0	10.8	13.4
# Vacant for Sale	0	0	0	0
% Vacant for Sale	0.00%	0.00%	0.00%	0.00%
Value >50 to <=80%				
# Occupied Units	18	163	525	706
% Occupants <=80%	22.2	39.3	51.4	47.9
% Built before 1970	44.4	92	93.9	92.2
% Some Problem	0	9.2	6.7	7.1
# Vacant for Sale	4	0	0	4
% Vacant for Sale	22.22%	0.00%	0.00%	0.57%
Value >80%				
# Occupied Units	708	2,425	5,605	8,738
# Vacant for Sale	40	25	40	105
% Vacant for Sale	5.65%	1.03%	0.71%	1.20%
Total Units				
# Occupied Units	740	2,621	6,269	9,630
# Vacant for Sale	44	25	40	109
% Vacant for Sale	5.95%	0.95%	0.64%	1.13%

³⁹ Source: Comprehensive Housing Affordability Strategy (CHAS) Dataset 2000. State of Cities Data System, http://www.huduser.org/datasets/cp/chas/chas_opening_page.html

Renters

Affordability Mismatch for Somerville Renters⁴⁰				
	Units by # of bedrooms			
	0-1	2	3+	Total
Housing Units by Affordability				
Rent <= 30%				
# Occupied Units	1,485	930	625	3,040
% Occupants <=30%	73.7	41.4	29.6	54.8
% Built before 1970	57.2	77.4	85.6	69.2
% Some Problem	30	24.7	29.6	28.3
# Vacant for Rent	4	30	4	38
% Vacant for Rent	0.27%	3.23%	0.64%	1.25%
Rent >30 to <=50%				
# Occupied Units	1,285	2,040	1,110	4,435
% Occupants <=50%	56.4	30.4	31.5	38.2
% Built before 1970	76.3	90.2	94.6	87.3
% Some Problem	49.4	27.2	37.8	36.3
# Vacant for Rent	25	25	30	80
% Vacant for Rent	1.95%	1.23%	2.70%	1.80%
Rent >50 to <=80%				
# Occupied Units	3,380	3,825	1,515	8,720
% Occupants <=80%	51	42.4	38.6	45.1
% Built before 1970	88.6	86.9	94.1	88.8
% Some Problem	42.5	37.3	36	39
# Vacant for Rent	30	70	30	130
% Vacant for Rent	0.89%	1.83%	1.98%	1.49%
Rent >80%				
# Occupied Units	1,830	2,310	1,565	5,705
# Vacant for Rent	25	45	4	74
% Vacant for Rent	1.37%	1.95%	0.26%	1.30%
Total Units				
# Occupied Units	7,980	9,105	4,815	21,900
# Vacant for Rent	84	170	68	322
% Vacant for Rent	1.05%	1.87%	1.41%	1.47%

⁴⁰ Ibid.

As illustrated in the charts above, in 2000 Somerville was experiencing very low vacancy rates. Only one housing type (studio to one bedroom ownership units) would qualify as a healthy housing market, with vacancy rates over 5%. Only one-bedroom ownership units affordable to households making more than 50% of AMI are actually in an oversupply, however. Most likely this is a factor of what people prefer to buy. Most buyers will often purchase at least a two-bedroom unit, while studios and one-bedroom units are much more popular rental sizes.

The clearest indicator of need in the charts above is the fact that in no rental category, including the totals, does the vacancy rate even approach 5%. A vacancy rate this low means that landlords are in a position to raise rents, knowing that supply is limited. As rents rise, fewer apartments remain affordable and housing burdens become more prevalent.

It is important to note that while vacancy rates in two and three bedroom units may appear slightly higher, this is not an indication that there is less need for larger-family units. Many households that would be better served in larger units may crowd into a unit with fewer bedrooms because it is more affordable. However, overcrowding is a housing problem, as illustrated below and should be addressed by the City's housing strategies.

5.3 Housing Burden

Conventional wisdom in housing policy suggests that households should spend no more than 30% of their gross income on housing costs. Any percentage over this is considered a housing burden, making it hard for a household to obtain other necessities. Several problems with this calculation are worth noting. The 30% cut-off does not account for income levels. A high-income family can often spend more than 30% of its income on housing and still have sufficient funds for the rest of its needs. A lower-income family often cannot afford to give even 30% of its income to housing costs. In addition, the 30% threshold was calculated in a way that does not allow for extra costs in a household, such as high child care costs or exorbitant health care costs. An automatic loss of 30% of a household's income can make other choices extremely difficult.

With that in mind, the 30% threshold is the established indicator of housing burden and can still provide a snapshot of a community's needs. In order to prioritize needs, it is also possible to break down housing burden by income level, as done in the chart below. A large percentage of burdened low-income households require different services than large percentages of burdened higher-income households.

The chart below also quantifies the numbers of households in each income category and tenure type that have housing problems of any type. In addition to paying in excess of 30% of income towards housing costs, housing problems include overcrowding and incomplete kitchen or plumbing facilities.

2000 CHAS: Number and Percentage of Somerville Households with Housing Problems⁴¹

	Total Households	# with Housing Problems	% with Housing Problems	# with Housing Problems that pay 30-49%	% with Housing Problems that pay 30-49%	# with Housing Problems that pay > 50%	% with Housing Problems that pay > 50%
RENTERS							
0-30% AMI	4,362	3,141	72.0%	2202	70.1%	1,727	55.0%
31-50% AMI	2,614	2,010	76.9%	1490	74.1%	645	32.1%
51-80% AMI	3,594	1,934	53.8%	909	47.0%	99	5.1%
Subtotal 0-80% AMI	10,570	7,084	67.0%	4600	64.9%	2,471	34.9%
>80% AMI	11,303	1,447	12.8%	113	7.8%	3	0.2%
Total Renters	21,873	8,531	39.0%	4,727	55.4%	3,784	44.4%
OWNERS							
0-30% AMI	1,002	878	87.6%	769	87.6%	604	68.8%
31-49% AMI	855	566	66.2%	375	66.2%	187	33.1%
51-80% AMI	1,481	626	42.3%	254	40.6%	135	21.5%
Subtotal 0-80% AMI	3,338	2,070	62.0%	1,398	67.5%	926	44.7%
>80% AMI	6,294	1,315	20.9%	238	18.1%	49	3.7%
Total Owners	12,970	5,456	42.1%	3,034	55.6%	1,901	34.8%
COMBINED TOTAL	34,843	13,987	40.1%	7,761	55.5%	5,685	40.6%
Subtotal 0-80% AMI	13,908	9,155	65.8%	5,998	65.5%	3,397	37.1%

As the chart indicates, in 2000, high percentages of both renters and owners earning up to 80% of AMI were paying more than 30% of their income to housing costs. Many renter and ownership households earning up to 80% of AMI, 65% and 68% of each respectively, were overwhelmingly housing burdened. Even more pressing, while the percentages decrease slightly, large numbers of low-income renters and owners are paying greater than 50% of the income towards housing costs.

These numbers, taken with the low homelessness population count, indicate that while Somervillians are in general able to find housing despite low vacancy rates and high housing costs, they are placing themselves in situations where the majority of their incomes are dedicated towards housing. Housing burden means that these households have less money to put towards other needs, creating a need for other government subsidies and non-profit services. While these households are currently housed, they are also at high risk of eviction or falling into rent arrears and could become homeless if any unexpected problems arise.

In addition, as noted above in the vacancy rate section, many households may be living in overcrowded situations or substandard housing. 39% of renters and 42% of owners have

⁴¹ Source: Comprehensive Housing Affordability Strategy (CHAS) Dataset 2000. State of Cities Data System, http://www.huduser.org/datasets/cp/chas/chas_opening_page.html

some form of housing burden, and a total of 13,987 households in Somerville have housing burdens. There is a need to not only lower housing costs, but to make it possible for households to live in appropriate units as well.

5.4 Public Housing and Section 8 Waiting Lists

At the start of the Somerville Housing Authority's (SHA) Fiscal Year in April of 2005, the SHA maintained 421 units of public housing throughout the City and administered 1,034 Section 8 vouchers, for a total of 1455 units, or 4.6% of the City's total housing stock. Additional Section 8 vouchers are likely in use by regional Section 8 administrators, but these numbers are not available.

The Public Housing and Section 8 Waiting Lists in Somerville have been closed since May of 2001. Despite closing the lists to new applicants, both lists remain long and contain far more applicants than can currently be housed. The chart below illustrates the current number of Public Housing and Section 8 units available, the number of households on the waiting lists, expected turnover rates for each list and the estimated number of years it would take to naturally close out the waiting lists without reopening them.

Current Public Housing Units and Section 8 Vouchers Administered by SHA⁴²

Program Name	Units or Families Served at Year Beginning	Families on Waiting List	Expected Turnover	New Available Units per Year	Years Required to Empty Waiting List
Public Housing	421	1266	15%	63	20 years
Section 8 Vouchers	1034	1219	10%	103	12 years

As is clear from the chart above, there is a great need for more housing units affordable to households making less than 50% and 80% of AMI, the eligibility cut-offs for Section 8 vouchers and Public Housing units respectively. Many of the people on the waiting list are likely paying well over 30% of their income towards housing, living in shelters or staying with friends and family.

The following two charts provide some insight into what type of housing would be most beneficial to those currently on the waiting lists. The Section 8 Wait List breaks the households down into income groups and race and ethnicity. The Public Housing Wait List goes one step further, breaking the households into the unit size necessary to adequately house them. These data can help us to determine the size and cost of housing that will have the largest impact on households with housing burdens.

⁴² Source: Somerville Housing Authority Fiscal year 2004 Annual Plan.

Housing Needs of Families on the Section 8 Waiting List December 2004

	# of Families	% of Total Families	Annual Turnover
Waiting list total	1,219		10%
Extremely low income <=30% AMI	943	77%	
Very low income (>30% but <=50% AMI)	236	19%	
Low income (>50% but <80% AMI)	40	3%	
Families with children	913	75%	
Elderly families	21	2%	
Families with Disabilities	81	7%	
Race/ethnicity W	363	29%	
Race/ethnicity B	416	34%	
Race/ethnicity H	251	21%	
Race/ethnicity AI	10	1%	
Race/Ethnicity Asian	67	6%	
Race/Ethnicity Other	109	9%	

Housing Needs of Families on the Public Housing Waiting List December 2004⁴³

	# of Families	% of Total Families	Annual Turnover
Waiting list total	1,266		PH: 15%
Extremely low income <=30% AMI	951	75%	
Very low income (>30% but <=50% AMI)	249	20%	
Low income (>50% but <80% AMI)	66	5%	
Families with children	768	61%	
Elderly families	68	5%	
Families with Disabilities	274	22%	
Race/ethnicity W	484	38%	
Race/ethnicity B	406	32%	
Race/ethnicity Am I	11	0.01%	
Race/ethnicity H	215	17%	
Race/ethnicity As P	80	6%	
Race/ethnicity Other	64	5%	
Characteristics by Bedroom Size (Public Housing Only)			
1BR	498	39%	
2 BR	490	39%	
Small Family Unit (1-2 BR)	988	78%	
3 BR	234	19%	
4 BR	43	3%	
5+ BR	1	0%	
Large Family Unit (3+ BR)	278	22%	

The large majority of households and individuals on both waitlists are extremely low-income (earning up to 30% of AMI). A smaller, but still significant, percentage of families are very low-income (earning up to 50% of AMI) and a very small percentage of families are low-income (earning up to 80% of AMI). The need is clearly strongest with Somerville's poorest households.

Elderly families make up 5% and 2% of the waiting lists, although the need for this group is probably larger than indicated. Many elderly households live with family rather than applying for housing subsidies. Disabled households (households in which at least one

⁴³ Source: Somerville Housing Authority Fiscal year 2004 Annual Plan.

Head of Household is physically or mentally disabled) make up 7% of the Section 8 Waitlist and 22% of the Public Housing List.

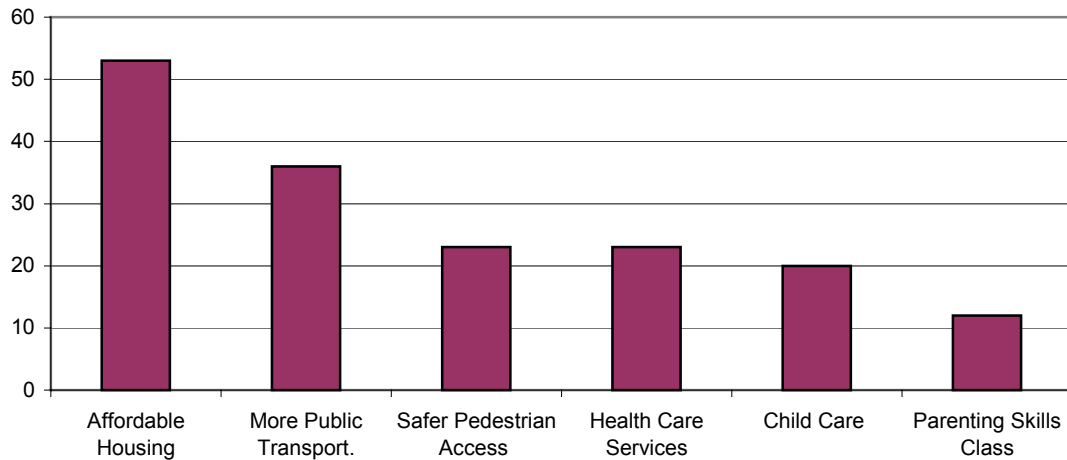
In addition, the Public Housing Wait List indicates that there is a greater need for small family units (1-2 Bedrooms), as 78% of current applicants are waiting for these units. Translating these numbers to the Section 8 Wait List, it can be estimated that an additional 1938 1-2 Bedroom Units and 54 3+ Bedroom Units are needed to house the Section 8 applicants on the list.

5.5 Survey Data

Two surveys conducted in the past year are indicative of housing needs in Somerville. The first one, conducted by the Community Action Agency of Somerville (CAAS) from February through April of 2005, focused on anti-poverty strategies and was distributed to targeted groups throughout the City. The surveys were also available for the public to pick up in government offices and businesses across Somerville. A total of 362 surveys were completed in the allocated time frame. Community Development (which included “encouraging affordable housing”) was ranked as the third highest priority overall, after Employment and Family Supports. 16.5% of total respondents ranked affordable housing in their top 5 priorities. When the survey was broken down, affordable housing received 43.8% of the votes within the Community Development Category.

The second survey reveals an even more pressing need as seen by Somerville residents. Conducted by the Somerville Commission for Women, the “Somerville Status of Women” quantified the importance of affordable housing to Somerville’s residents. 313 women, age 14 to 95, responded to the survey during April and May of 2005. All respondents were women living in Somerville and were contacted through various outlets including the Public Schools, the Somerville Council on Aging, CAAS and by volunteers. The purpose of this study was to discover and highlight the needs of Somerville’s women. As seen below, Affordable Housing was the number one priority identified by the survey.

Status of Somerville Women: Number One Priority



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In total, 53 women ranked Affordable Housing as their #1 priority, 22 ranked it as their #2 priority, and an additional 19 ranked it as their #3 priority. Altogether, 94 respondents, or 30%, ranked affordable housing in their top three priorities, making affordable housing the most requested service.

5.6 Disabled Population Needs

In addition to understanding the basic housing needs of a community, it is also important to identify the needs of certain segments of the population. Individuals with mental and physical disabilities will often require more supportive housing environments and other subsidies to access adequate housing. As a group that is protected under Federal and State Fair Housing Laws and that requires additional services beyond the average housing needs, the disabled population has its own distinct housing needs that will be explored in this section.

According to the 2000 Census, 14,317 individuals of the Civilian non-institutionalized population in Somerville had a disability status, including both mental and physical disabilities. The age breakdown of this population is below. The percentage of people with disabilities appears high. This is because of the way the Census determines disability.⁴⁵ Many people with disability status are fully functioning and are not impaired by their disability in any way, including access to housing or employment.

⁴⁴ Somerville Commission for Women Status of Women Report, Spring 2005.

⁴⁵ The Census considers the following people “disabled”. (1) They are 5 years old and over and have a sensory, physical, mental or self-care disability; (2) They are 16 years old and over and have a disability which makes it difficult to go outside the home; or (3) they were 16 to 64 years old and have disability which makes it difficult to perform certain jobs.

Individuals with Disabled Status (Civilian Non-institutionalized Population) in 2000⁴⁶

Age	Total # of People	# People with Disability	% of People with Disability
5-20	11,498	997	8.7%
21-64	54,411	9,731	17.9%
65+	7,837	3,589	45.8%
Total Over 5	73,746	14,317	19.4%

The Massachusetts Department of Mental Retardation (DMR) tracks the number of people with mental disabilities being served in each city and town in Massachusetts. In late July, 2005, 400 Somervillians were receiving services through DMR. This number however, does not include individuals with physical disabilities and also undercounts those with mental disabilities for a variety of reasons. Undiagnosed individuals and those who are simply not receiving services from DMR are not included on this list.

According to the subsidized housing inventory list for Somerville, 238 total subsidized units are designated and set aside for special needs populations. These units can only be occupied by someone identified as having either a physical or mental disability, and often each unit is specifically for one group or the other.

Special Needs Subsidized Units in Somerville⁴⁷

	Non-elderly Disabled Units	Handicapped Accessible Units	Special Population Designation	Total
Public Housing	135	NA	16	151
Private Subsidized	1	21	65	87
Total	136	21	81	238

In addition to these units, the Mass Access Registry, a registry of handicapped accessible units monitored by Citizens' Housing and Planning Association, lists 83 accessible units in Somerville. As of July 2005, however, none of these units were currently vacant.

5.7 Elderly Population Needs

The elderly population is another specific population that may have special and distinct housing needs. Generally, the elderly population requires smaller units than the average population, but often needs handicapped accessible units and supportive services. Group homes, independent living, assisted living and nursing homes all make up the continuum of care that a senior citizen may expect to receive over their lifetime.

While the median age in Somerville increased slightly from 1990 to 2000, the percentage of the population over age 65 has decreased. However, the number of Somerville

⁴⁶ Source: 2000 U.S. Federal Census

⁴⁷ City of Somerville Subsidized Housing Database, administered by Housing Division.

residents over the age of 85 has increased, indicating that residents are living longer and will require more services as they age, including more supportive housing.

Elderly Population in Somerville 1990-2000⁴⁸

Age Group	1990	2000	1990-2000 % Change	1990- 2000 Change	% of 1990 population	% of 2000 population
Total All Ages	76,210	77,478	1.70%	1,268		
55 to 64	5,818	4,773	-18.00%	-1045	7.60%	6.20%
65 to 74	5,194	4,059	-21.90%	-1135	6.80%	5.20%
75-84	3247	2934	-9.60%	-313	4.30%	3.80%
85 or older	963	1106	14.80%	143	1.30%	1.40%
Subtotal 65+	9,404	8,099	-13.90%	-1,305	12.30%	10.50%

Currently in Somerville, there are 1,058 subsidized housing units designated for elderly person only. These units are in both public housing developments and private subsidized developments.

Elderly Subsidized Units in Somerville⁴⁹

Public Housing	597
Private Subsidized	461
Total	1058

One of the largest elderly developments in Somerville is the Visiting Nurses Assisted Living Estates (VNA) on Lowell Street. 97 units, of which 73 are subsidized for low-income households, house elderly individuals and couples who are still capable of independent living, but require certain supportive services day to day. The VNA averages about a 3-4% vacancy rate, however staff reports that this vacancy rate is only due to the required qualifying process and the time it takes to approve a new resident. In general, the VNA operates a waiting list that holds 30-40 people. It should also be noted that the VNA does no advertising, so the waiting list is likely lower than the actual need.

The residents of the VNA range in age from 50-100+, although staff reports that the majority of residents are within the 75-95 year range. Those residents that are younger than 75 often have a disability as well that makes independent living difficult.

VNA staff identified three main areas in which the elderly population has housing needs. First, with the increase in condo conversions in Somerville, many long-time residents who do not wish to buy or move out of Somerville are being asked to vacate their units. These residents need affordable rental opportunities in Somerville. Second, much of the population currently housed in nursing homes would be better served in an assisted living residence, but they simply do not have the income to make the transition. Lastly, many elderly people are susceptible to homelessness due to fixed incomes and rent increases.

⁴⁸ Source: 2000 U.S. Federal Census

⁴⁹ City of Somerville Subsidized Housing Database, administered by Housing Division.

6. Conclusions and Recommendations

6.1 Key Needs in Somerville

An analysis of the housing needs assessment has revealed the key housing needs in Somerville. These are outlined below.

1. **Smaller Units:** With the shrinking of family sizes and a growing population of residents in their late 20s and early 30s, Somerville has seen a shift in its needs. The typical Somerville resident no longer needs 3+ bedrooms. Studios, one and two-bedroom units are sufficient for many of Somerville's residents and are often more affordable as well as less costly to develop.
2. **Wider range of housing options:** Currently, the vast majority of housing units in Somerville are 2-3 bedroom units in 2-3 family homes available for rent or condominium homeownership. A healthy community is able to provide a wide range of housing options, including bedroom numbers, building type and ownership type, so that as its residents proceed through various stages of life, they are able to find the necessary living arrangement.
3. **Units available for buyers and renters at moderate-incomes:** In the past 5 years, the housing market in Somerville has seen extreme price increases, making housing affordable to only higher-income households. Fortunately, Somerville has a strong network of social service agencies and City departments that provide opportunities for low and very-low income households as well. With the exception of Somerville's Inclusionary Housing program, moderate-income households, those earning between 80 and 110% of AMI, are often not provided for by housing programs. Despite the fact that this is not a pressing need given that moderate-income households have other options, such as renting rather than buying or moving into another community, it should be noted nonetheless. In addition, many households earning over 110% of AMI are also being crunched and should be considered in housing strategies. The decrease in moderate-income households in Somerville could be a result of out-migration due to costs, or it could simply be indicative of the widening gap between the poor and the rich in America. Either way, moderate-income households are a value to a community and their needs should be noted as well.
4. **Increased Rehab:** Somerville's housing stock is extremely old, the majority of it having been built prior to 1920. In addition, renovations to the majority of the housing stock occurred in the 1960s and 1970s. The condition of the City's housing stock, as a result, has suffered and requires substantial improvements.
5. **More Home-Ownership Opportunities:** Nationwide, roughly 69% of households own their homes nationally and 65% own in the Northeast. In Massachusetts, nearly 62% of households own their homes. 59% of households in the Greater Boston area own their homes. In Somerville, even accounting for recent increases in condo conversions, only 34% of residents are homeowners. Additional homeownership opportunities, available to the whole range of Somerville residents, are necessary to provide opportunities for growth within Somerville, rather than forcing residents to other towns to buy.

6. **Options for Displaced Renters as a Result of Condominium Conversions:** While homeownership is beneficial to a community and should be a goal of the City, the residents whose apartments have been converted will also need options. Many renters who do not have the resources or the desire to become homeowners are better suited to remain renters. As the city continues to see increased homeownership due to conversions, it is important to provide options for those who do not wish to buy.
7. **Permanent Housing Options for Homeless Families and Individuals:** Emergency shelters and transitional living facilities, while necessary and important in the efforts to end homelessness, are not lasting options for homeless families and individuals. Permanent housing options, paired with supportive services, will reduce the risk of repeat and chronic homelessness.
8. **Prevention of Rent and Mortgage Arrearage:** A shocking number of Somerville residents, both renters and owners, are paying more than 30% of their income towards housing. These households, while often adequately housed currently, may be vulnerable to losing their homes or apartments in the event of an emergency. Renter and post-ownership programs should educate people on how to avoid this situation.
9. **More Units for Disabled Populations:** Almost 20% of Somerville's residents are disabled in some way, but only 238 subsidized units are available for this population. The waiting lists for these units are long and other housing options are often not possible for this group of residents.
10. **More Housing Units:** In general, Somerville is not providing enough housing units period. As household size decreases, there will be greater demand for units of all types and prices. Increased production will ease some of the pressure on the current market, moderate prices and provide more options. This is a difficult task, however, given the fact that Somerville is very built out already. The City should capitalize on the few developable parcels that remain.

6.2 Key Assets in Somerville

Analysis of the needs assessment also revealed several assets in Somerville that will help the city to satisfy its needs and expand upon its current successes.

1. **Historic Properties:** Despite the disrepair that many units have fallen into, Somerville is blessed with a historic housing stock. Properly rehabilitated, these buildings and housing units can provide an attractive addition to the housing stock of the City. In addition, federal and state money is available for certain historic properties, making affordable rehabilitation more likely.
2. **Potential Projects:** The sheer number of units slated for construction at Assembly Square, Boynton Yards, Union Square and North Point, as well as the number to be designated as affordable through the City's Inclusionary Housing ordinance will create a large opportunity.
3. **Increased Condominium Conversions:** The recent trend of condo conversions has increased the number of homeownership opportunities in Somerville. Households hoping to build equity through homeownership have increased

opportunities to do so in Somerville as a result. Condominiums still remain a more affordable ownership option than single or multi-family properties in Somerville, making it a good option for first-time homebuyers as well.

4. **Strong Network of Homeless Providers:** The Somerville Homeless Providers Group in cooperation with the City of Somerville, made up of a diverse group of agencies, provides a variety of services to the homeless population. As a result, very few families and individuals are forced to live on the street. While more permanent solutions are necessary and these providers are rarely operating below capacity, this is a strong asset as Somerville attempts to address its housing needs.
5. **Rehab and Lead Programs:** The City of Somerville already operates two housing programs that are working to update the housing stock and make it safer and more attractive. Both the Housing Rehab Program and the Lead Program run by the City's Housing Division allow income-eligible owners an opportunity to renovate their properties.
6. **Affordable Housing Trust Fund:** The City has an essential tool for providing funds for affordable housing development and housing service provision. The Trust Fund allows the City to take in fees from the Inclusionary and Linkage ordinances and distribute it for the advancement of affordable housing options.
7. **Strong Market and Experienced Developers:** The Greater Boston housing market is extremely strong and particularly profitable for developers. Somerville is well positioned in the heart of this housing boom and is experiencing a lot of new housing growth currently. Developers are eager to do business in Somerville, making cooperation in providing the most appropriate units possible.
8. **Inclusionary Zoning:** Somerville already has a strong tool at its disposal for providing housing opportunities to moderate-income households. The Inclusionary housing program, which requires that developers of properties with 8 units or more give 12.5% of the units to the City for affordable housing opportunities, creates increased options for the City's low and moderate-income population. It also provides the Affordable Housing Trust with additional funds through fractional payouts and cash in lieu of fees. While dependent on the amount of development occurring in the City, the ordinance allows the City to capitalize on the housing growth and translate it into opportunities for its residents.
9. **Linkage Fee:** Somerville also has a strong tool for making the connection between economic development and housing. Commercial developers must pay \$3.91 for every square foot of building over 30,000 feet. This money is provided to the Affordable Housing Trust Fund to mitigate the impacts of commercial development on affordable housing.

6.3 Strategies

These strategies build upon the assessed housing needs and assets in Somerville. Lessons from this report and previously compiled strategies already underway and in development were utilized to create the following list of strategies. By implementing and continuing these strategies, Somerville can have the greatest impact on the housing needs of the community.

1. **Target Specific Programs to Very-Low (Under 50% of AMI), Low (50-80% of AMI) and Moderate (80-110%) Income Households:** Across the board, Somerville households below 110% of AMI are faced with housing burdens. The challenges that each of these income groups face, however, are very different. Very-low income households will most likely require rental subsidies. Low-income households can be supported through homeownership programs and rental subsidies. Moderate-income households are most often able to afford rental housing, but need assistance in accessing the homeownership market and can be assisted through Inclusionary Housing. It is important to recognize the difference needs of these groups and target programs that are suitable and most effective to each of them.
2. **Create new programs to assist those with income over 110%, but still struggling:** As the housing burden statistics illustrate, even families with higher incomes are having trouble in this housing market. 20.9% of owners and 12.8% of renters with incomes over 80% of AMI are housing burdened. While the Inclusionary Housing program provides some opportunities for households earning up to 110% of AMI, those earning above this amount can still not purchase many of the homes for sale in Somerville. Raising the limit of eligibility or creating new programs targeted directly at these income levels will increase housing opportunities for all households.
3. **Continue to support Lead Hazard Abatement and Housing Rehabilitation programs:** The Lead Hazard Abatement program is an essential tool in improving the condition of Somerville's housing stock as well as a way to ensure fair housing. By providing funds to rid homes of lead paint, landlords are better able to comply with fair housing laws which require that they rent to households with children. The Housing Rehabilitation program is important in improving the condition of Somerville's deteriorating housing stock as well, and provides another opportunity to maintain and preserve affordable housing for the city.
4. **Promote Home Buyer Training Classes and Inclusionary Units:** The Homebuyer Training classes are an excellent tool for training first-time homebuyers, giving them the knowledge they need to enter the homeownership market. Not only does this program allow them access to affordable units created through Inclusionary zoning, but it also introduces them to maintenance tips, budgeting, and mortgage information, making them better homeowners and assets to the community. The Inclusionary units continue to provide affordable housing units for low and moderate-income buyers at a minimal cost to the City. With very little affordable new construction taking place, this is the largest form of affordable units for sale in the city and should be promoted and marketed heavily.
5. **Reevaluate Down-Payment Assistance and/or Closing Cost Assistance Programs:** To close the gap of affordability for new owners and increase their options, it would be helpful to explore whether a down-payment assistance or closing cost assistance program could be formatted. In the past, down-payment assistance has been too small to impact buyers' options, but a revisit to these issues would be helpful to determine if changes in the housing market make either of these options more feasible.

6. **Encourage and fund more permanent housing developments for homeless and disabled populations:** The Somerville Homeless Providers Group, in collaboration with the City of Somerville, has been very successful at developing homeless prevention programs, emergency shelters and transitional housing units. Nonetheless, until more permanent affordable housing options for these populations exist, the City will continue to have shortages and demands on their services. Permanent housing options would provide the stability that individuals and families need to live and thrive, without draining the emergency resources of the city as quickly.
7. **Encourage development of a wider range of unit sizes:** Data collected for this study suggests that the average size of households in Somerville is decreasing and smaller housing units would be more necessary. Upon closer examination, however, it becomes clear that there is a disparity between the types of units available for rental and ownership. Large renter households will likely have trouble finding suitable units and small owner households will have trouble finding smaller units. 35% of Somerville's households have 3 or more people, yet only 23% of rental units would accommodate their needs. Likewise, 65% of Somerville households have less than 3 people, yet only 35% of ownership units are 1 or 2 bedroom units. A wider range of options would allow families the ability to locate units of either tenure that fit their needs.
8. **Continue to support the SHPG, AHT and local affordable housing developers:** The City of Somerville is at the forefront of many innovative housing policies and has a highly functioning affordable housing network already in place. The Somerville Homeless Provider's Group members are serving the needs of the City's homeless population, local non-profit developers are capitalizing on the opportunities to create new affordable housing opportunities in a high capacity, and the Affordable Housing Trust is supporting the efforts of both of these groups with grants and loans that make them possible. The City should continue to support and collaborate with these organizations to ensure the best mix of housing and services for Somerville residents.
9. **Re-evaluate expiring use properties when necessary to ensure continued affordability:** With sparse available land for development, rising costs of housing, and recent condominium conversion trends, it is becoming increasingly difficult to create new affordable housing. Currently, roughly 9.4% of the City's housing stock is designated as affordable. However, many of these properties have affordable housing restrictions on them that will eventually expire, removing them from the affordable housing stock as they turn into market-rate units. It is imperative that the City work to preserve these affordable units. Preservation of current units is a much less costly alternative to creating new housing and trends indicate that the need for affordable housing will not decrease in the near future. In order for new affordable development to have an impact on Somerville's housing needs, it is important that it add to the already existing affordable housing stock, not simply replace it.
10. **Encourage in-fill development and reuse of surplus and former church properties:** As noted above, new housing starts in the City have been very low due to the scarcity of developable land. Somerville is highly developed,

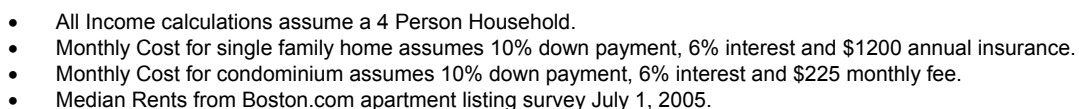
extremely dense and this is a strong asset. However, the converse of this position is reduced opportunities for new development. Somerville should capitalize on the few available properties for development and encourage appropriate uses. With upcoming projects at Assembly Square, Boynton Yards, Union Square, St. Polycarp's and other in-fill plots, the City has an opportunity to have a significant impact.

- 11. Update and expand Housing Division website for education and outreach purposes:** This study has revealed that the City of Somerville has an expansive set of assets and resources for people seeking housing and housing related services. The website is an essential tool for disseminating information about the various services the City can provide. Whether it be questions about Fair Housing, Lead Abatement, or Homeless Services, the website should be the first step for Somerville residents interested in learning more about housing related issues. The chance to serve residents of the City will be significantly increased and a higher number of potential clients will gain access if the website is brought to full capacity.
- 12. Offer post-homeownership counseling classes to help prevent foreclosure:** As housing costs increase and it becomes more difficult to buy a home, many new mortgage products have emerged such as no interest loans and zero down payment loans that make initial purchase easier, but may have negative impacts on the buyer in the long run. Buyers who deplete their resources to buy a home may fall into trouble if they have a loss of income, have a medical crisis, or another unforeseen circumstance. While the City has made it possible for low and moderate-income households to buy a home through Inclusionary Housing, it is essential that the City educate these buyers about the process of being a homeowner in the long run and prevent foreclosure. Post-ownership counseling courses that cover topics such as saving, renovation issues, and refinancing may decrease the occurrence of foreclosure.
- 13. Condominium Association Training Course:** As evidenced in this study, condominium conversions are increasing. The by-product of this trend is that more households are involved in condominium associations set up to manage the common issues of the shared property. However, condo association management is a new and challenging endeavor for most homebuyers and there are very little resources available to assist association members, particularly those in small condo associations. A training course designed to educate condo owners and give them the tools to manage their properties could prevent the usual problems encountered and ensure more successful transitions.

Appendix A: Housing Cost Comparison Worksheets

Housing Costs

Program Eligibility



- All Income calculations assume a 2 Person Household.
- Monthly Cost for single family home assumes 10% down payment, 6% interest and \$1200 annual insurance.
- Monthly Cost for condominium assumes 10% down payment, 6% interest and \$225 monthly fee.
- Median Rents from Boston.com apartment listing survey July 1, 2005.